



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Up Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

We have performed the procedures enumerated below on the Direction Home of Eastern Ohio, Inc.'s Medicaid Waiver Cost Report (Cost Report) and certain compliance requirements related to contract monitoring for the year ended June 30, 2022 included in the information provided to us by the management of the Direction Home of Eastern Ohio, Inc. The Direction Home of Eastern Ohio, Inc. is responsible for completion of the Cost Report and contract monitoring as required by the Agreement between the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA) and the PASSPORT Administrative Agency (PAA).

The ODM and the ODA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Cost Report. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Revenue

1. We agreed the revenue on *Final Page A* to the State Year Worksheet and agreed the Transfer-In amount to the prior year Cost Report. There were no variances.
2. We agreed each client liability amount on *Final C Page* to the Monthly Statement of Client Liability report and we agreed the beginning receivable to the prior year Cost Report. There were no variances.

Square Footage

We compared the square footage on the Square Footage Summary to the Allocation worksheet and the cost allocation on Allocation worksheet to the General Ledger Detail report and each waiver worksheet. There were no variances.

Trial Balance and Non-Payroll Expenses

1. We agreed the disbursements for each waiver on the State Year Worksheet to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances.

We compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail* and calculated the variance. The calculated variance exceeded one half percent of total PIMS costs and we confirmed the Cost Report contained no explanation of the variance.

Trial Balance and Non-Payroll Expenses (Continued)

2. For each waiver worksheet, we calculated five percent of the total of all non-payroll cost report accounts and identified any cost report accounts with a total that exceeds the five percent threshold. We scanned the General Ledger Detail report for potential unallowable or improperly allocated costs per 2 CFR 200 Subpart E that impact the identified account codes and selected 60 disbursements including items identified in the scan.

We obtained the invoice and/or contract for each selected expense and performed the following:

- We confirmed documentation for the full cost was maintained as required by PAA Medicaid Waiver Cost Report Instructions (Cost Report Instructions) and 2 CFR 200.403(g).
- We footed the invoice/documentation for accuracy and found no computational differences resulting in decreased costs on *Worksheet 1*.
- For invoices with a corresponding contract, we compared the invoice rate to the contracted rate and found no differences resulting in decreased costs.
- We compared documentation for each expense to the unallowable categories listed in 2 CFR part 200.400 - .475. There were variances for non-federal reimbursable costs. For any errors found, we scanned the corresponding invoice and found additional similar errors. We reported all errors in the Appendix.
- We compared the documented non-payroll expense and type of expense to the worksheet and account classification on the Cost Report and with the Cost Report Instructions and the PAA's Cost Allocation Plan. There were account reclassifications between cost report accounts exceeding \$1,000 per row. For any errors found, we scanned the corresponding invoice to identify any additional similar misclassifications and found additional similar errors. We reported reclassifications in the Appendix.
- We documented the name and type of expense and if the purpose was unclear, inquired with PAA to confirm if the business purpose of the expense benefitted the PAA's Medicaid Waiver Programs in accordance with 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and did not benefit other programs. There were variance(s) for costs that did not benefit the PAA's Medicaid waiver programs. For any errors found, we scanned the corresponding invoice and found additional similar errors. We reported all variances in the Appendix.
- We compared the documented cost and type of expense to the PAA's Depreciation/ Capitalization Policy and confirmed the expense was not a capital asset.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302.8. There were no differences.
- We confirmed each amount was recorded on the accrual basis, in accordance with the Cost Report Instructions, by agreeing the date/time period of the invoice/documentation to the Cost Reporting period.

Payroll

1. We agreed the salaries and benefits on the State Year Worksheet to *Worksheet 1* for each waiver. There were no variances.

Payroll (Continued)

We compared the first and last pay periods on the PayCom report to the General Ledger Detailed report to confirm employee payroll expenses were reported on the accrual basis. There were no variances.

2. We obtained the Employee Check Register and counted the total number of employees reported on *Worksheet 1*. We selected 10 employees reported on *Worksheet 1* and performed the following procedures on each selected employee:

- We compared the employee monthly time logs and job descriptions to the unallowable categories listed in 2 CFR part 200.400 - .475. We confirmed the cost benefitted the Medicaid program in accordance with 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and did not benefit other programs. There were no variances for unallowable costs or costs that did not benefit the Medicaid program.
- We compared the Employee Monthly Time Logs for one month to the Monthly Timestudy Allocation reports and the Allocation reports to the General Ledger Detail Reports. We compared the General Ledger Detail reports and State Year Worksheet to the worksheet and account classification on the Cost Report, the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no variances which resulted in reclassifications between cost report accounts.
- We compared the cost methodology and allocation statistics for the same monthly payroll expenses for each employee to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302.8. There were no differences.

Property

1. We agreed the capital costs on the Depreciation Schedule to the State Year worksheet and the State Year worksheet to *Worksheet 1* and found no differences.
2. We compared the final FY 2022 Depreciation Schedule to the FY 2021 Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to FY 2022, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years or depreciation which was not in compliance with the Cost Report Instructions. There were no variances exceeding \$1,000 resulting in reclassification to a cost report account or resulting in decreased costs.
3. We selected one of the capital assets which was being depreciated in the first year in FY 2022. We recalculated the first year's depreciation for the asset selected, based on the Cost Report Instructions and useful lives prescribed in the 2018 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. There were no variances.
4. We scanned the Depreciation Schedule and the General Ledger Detail report for any loss on *Worksheet 1* that was not in accordance with CMS Publication 15-1, Chapter 1, § 104.10(E) and found none.
5. We scanned the General Ledger Detail report for items purchased during the reporting period that met the capitalization criteria and traced them to the Depreciation Schedule and found none.

Contract Monitoring

We obtained the PAA's written procedures and supporting documentation related to performing provider oversight processes in accordance with Section III (A)(3)(e)(ii) in its Three Party Agreement with ODM and ODA.

Contract Monitoring (Continued)

We selected five providers for each type of provider oversight, including five pre-certification reviews, five structural reviews and five disciplinary provider reviews and compared supporting documentation to the written procedure requirements. There were no differences.

We conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the PAA's Cost Report and compliance with contract monitoring requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the PAA and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed-upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

January 3, 2024

Appendix
Direction Home of Eastern Ohio, Inc.
Independent Accountants' Report on
Applying Agreed Upon Procedures

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

Program Passport

COST REPORT									
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
1	1	7	Supplies	Screening	To reclass utilities to Building Services	Cost Report Instructions	\$ 3,666	\$ (104)	
1	1	7	Supplies	Screening	To reclass utilities to Building Services	Cost Report Instructions		\$ (46)	
2	1	7	Supplies	Screening	To reclass rent to Capital Costs	Cost Report Instructions		\$ (503)	
2	1	7	Supplies	Screening	To reclass rent to Capital Costs	Cost Report Instructions		\$ (223)	\$ 2,790
1	1	7	Supplies	Assessment	To reclass utilities to Building Services	Cost Report Instructions	\$ 16,738	\$ (476)	
2	1	7	Supplies	Assessment	To reclass rent to Capital Costs	Cost Report Instructions		\$ (2,300)	\$ 13,962
1	1	7	Supplies	Case Mgmt.	To reclass utilities to Building Services	Cost Report Instructions	\$ 11,801	\$ (282)	
2	1	7	Supplies	Case Mgmt.	To reclass rent to Capital Costs	Cost Report Instructions		\$ (1,361)	
4	1	7	Supplies	Case Mgmt.	To remove non-federal reimbursable cost of promotional items	2 CFR 200.421 Advertising and public relations		(\$1,812)	\$ 8,346
1	1	7	Supplies	General Admin.	To reclass utilities to Building Services	Cost Report Instructions	\$ 8,836	\$ (339)	

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Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
2	1	7	Supplies	General Admin.	To reclass rent to Capital Costs	Cost Report Instructions		\$ (1,639)	\$ 6,858
1	1	8	Building Services	Screening	To reclass utilities to Building Services	Cost Report Instructions	\$ 10,903	\$104	
1	1	8	Building Services	Screening	To reclass utilities to Building Services	Cost Report Instructions		\$46	\$ 11,053
1	1	8	Building Services	Assessment	To reclass utilities to Building Services	Cost Report Instructions	\$ 43,584	\$476	\$44,060
1	1	8	Building Services	Case Mgmt.	To reclass utilities to Building Services	Cost Report Instructions	\$ 32,053	\$282	\$32,335
1	1	8	Building Services	General Admin.	To reclass utilities to Building Services	Cost Report Instructions	\$ 24,106	\$339	\$24,445
2	1	10	Capital Costs	Screening	To reclass rent to Capital Costs	Cost Report Instructions	\$ 11,623	\$503	
2	1	10	Capital Costs	Screening	To reclass rent to Capital Costs	Cost Report Instructions		\$223	\$ 12,349
2	1	10	Capital Costs	Assessment	To reclass rent to Capital Costs	Cost Report Instructions	\$ 33,686	\$2,300	\$ 35,986
2	1	10	Capital Costs	Case Mgmt.	To reclass rent to Capital Costs	Cost Report Instructions	\$ 20,126	\$1,361	\$ 21,487

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SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

Program Passport

COST REPORT									
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
2	1	10	Capital Costs	General Admin.	To reclass rent to Capital Costs	Cost Report Instructions	\$ 18,961	\$1,639	\$ 20,600
3	1	11	Other Expense	Screening	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$15,648	(\$144)	
3	1	11	Other Expense	Screening	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.		(\$325)	\$15,179
3	1	11	Other Expense	Assessment	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$29,684	(\$1,485)	\$28,199
3	1	11	Other Expense	Case Mgmt.	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$18,115	(\$879)	\$17,236
3	1	11	Other Expense	General Admin.	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$15,421	(\$1,058)	\$14,363

Total Effect on Cost Report

\$ (5,703)

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Direction Home of Eastern Ohio, Inc.
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SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

Program Assisted Living

COST REPORT									
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
3	1	11	Other Expense	Assessment	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$1,440	(\$72)	\$1,368
3	1	11	Other Expense	Case Mgmt.	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$3,219	(\$161)	\$3,058
3	1	11	Other Expense	General Admin.	To remove non-federal reimbursable conference sponsorship costs	2 CFR 200.434 Contributions and donations.	\$1,487	(\$95)	\$1,392
Total Effect on Cost Report								(\$328)	

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DIRECTION HOME OF EASTERN OHIO, INC.

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/23/2024

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This report is a matter of public record and is available online at
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