



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM), on the Cost Reports for the following Ohio Department of Developmental Disabilities (DODD) Developmental Centers: Cambridge, Columbus, Gallipolis, Montgomery, Mount Vernon, Northwest Ohio, Southwest Ohio, Tiffin, Warrensville, and Youngstown (hereafter referred to as the Centers) for the period July 1, 2016 through June 30, 2017. DODD's management is responsible for preparing these state fiscal year (SFY) 17 reports. The sufficiency of these procedures is solely the responsibility of ODM. 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.

Unless otherwise specified, DODD provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Census Data and Medicaid Paid Claims

1. We compared the total of each Center's monthly inpatient days reported on the MRDATA worksheet, Summary of Inpatient Day, and the December Actual Monthly Individual Roster reports to *Worksheet F, Census Data*.

We found inpatient days equaled reported days for each Center. DODD submitted a revised Summary of Inpatient Day report for the Northwest Ohio Center and we re-performed this procedure with the revised report. We found a variance and reported an adjustment to add inpatient days in Appendix A.

We also footed the reports for accuracy and found no computational errors.

2. We selected paid claims for five residents for December 2016 for each Center from the Quality Decision Support System (QDSS) and the Actual Monthly Individual Roster reports. We compared the paid Medicaid days to the days documented per the resident's medical records. We determined if the documentation met the general requirements of CMS Publication 15-1, Chapter 23, and Ohio Admin. Code § 5160:3-99. We also determined if the days billed met the requirements of Ohio Admin. Code § 5123:2-7-08 (C) to (I) as an occupied or bed hold day and Ohio Admin. Code § 5123:2-7-15 for the payment adjustment requirements for resident's admission, discharge or death.

Census Data and Medicaid Paid Claims (Continued)

In addition, we determined if days were reported correctly on *Worksheet F* and *Worksheet E, Computation Of Rate Setting and Federal Funds Participation Settlement* to identify any inpatient days greater than reported or any unauthorized bed hold days. We found differences for Montgomery and Youngstown Developmental Centers.

Recoverable Finding: Montgomery Developmental Center - \$17,155.09

We found no supporting documentation for 31 paid days for one resident in December 2016 at the Montgomery Center. We reported a corresponding adjustment on *Worksheet F* in Appendix A.

Recoverable Finding: Youngstown Developmental Center - \$17,153.60

We found no supporting documentation for 31 paid days for one resident in December 2016 at the Youngstown Center. We reported a corresponding adjustment on *Worksheet F* in Appendix A.

3. We obtained the paid Medicaid days from QDSS and compared these with the total Medicaid days reported on *Worksheet F* for each Center and reported any reimbursed days in excess of total days reported.

We found no paid days in excess of days reported for nine of the centers. Initially we found that the Northwest Ohio Center's paid days exceeded reported days. DODD provided a revised Summary of Inpatient Days and Actual Monthly Individual Roster reports for April to June 2017. We agreed the Actual Monthly Individual Rosters for April to June 2017 to the Summary of Inpatient Days. We found that, with the adjustment made in Procedure 1, the paid days were less than the revised reported days.

Mathematical Accuracy

1. We compared the total inpatient days and non-payroll, payroll, and capital costs reported by each Center on *Worksheet A, Trial Balance of Expense; Worksheet A1, Direct Expenses; Worksheet A3, Adjustments to Trial Balance; Worksheet B, Basis for Cost Allocation-Statistics Labor Related Components; Worksheet C, Basis for Cost Allocation-Statistics Non-Labor Related Components; Schedule D, Ancillary Cost – Step Down – Labor and Non Labor Related Component*, and *Worksheet F, Census Data* to *Worksheet E, Computation Of Rate Setting And Federal Funds Participation Settlement*.

We found no variance on any worksheet; however, we reclassified inpatient days on *Worksheet F* for the Warrensville Center to allow total days to be carried over to *Worksheet E* as reported in Appendix A.

Non-Payroll Expenses

1. We compared each non-payroll expense from the Ohio Administrative Knowledge System (OAKS) FIN Transactional Disbursement Data for each Center, Indirect Cost Worksheets and Quarterly MAC reports non-payroll expenses reported on the Data Worksheet and *Worksheet A; Worksheet A1; Worksheet A3; Worksheet C; and Schedule D*.

We found no reportable variances.

2. We scanned each OAKS FIN Accounts Payable Voucher Detail report for each Center and selected 40 non-payroll shared central service costs expenses and 20 non-payroll expenses reported on *Worksheet A; Worksheet A1; Worksheet A3; Worksheet C; and Schedule D*.

Non-Payroll Expenses (Continued)

We determined if expenses had supporting documentation, were properly allocated and classified, and were allowable expenses per Ohio Admin. Code §§ 5123-2-7 and 5160:3, CMS Publication 15-1 and 15-2, 42 CFR 92 and the Developmental Center Cost Report Instructions. We reported variances for all Centers in Appendix A.

We also scanned each Centers' OAKS Transactional Revenue data to identify any revenue offsets which were not reported on *Worksheet A3* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapter 1, 6, and 8. We found no reportable offsets.

Recommendation:

DODD should ensure that it complies with 2 CFR 200 cost report guidance. Specifically, DODD should ensure the Centers do not indirectly charge the Medicaid program for central wide service costs that benefit other program areas, such as Early Intervention. Charging indirect costs to the Centers that do not benefit the Centers is not in compliance with the 2 CFR 200.56, "Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived." We recommend DODD seek technical assistance from ODM to develop a process to exclude indirect costs that do not benefit the Centers.

Property

We compared the depreciation costs on the OAKS Depreciation Report to the amounts reported for each Center on *Worksheet A* and *Worksheet A3*. We did not identify any reportable variances.

We scanned the Depreciation report for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition for each Center which were not in compliance with Ohio Admin. Code § 5123-2-7-18 and Chapter 5160:3, CMS Publication 15-1 and 15-2, and 42 CFR 92. We found no variances.

Payroll

1. We compared payroll expenses from the OAKS Transactional Disbursement data to payroll expenses reported by each Center on the MRDATA Worksheet; *Worksheet A*; *Worksheet A1*; *Worksheet A3*; *Worksheet B*; and *Schedule D*. We found no reportable differences.
2. We selected three employees and two contract employees for each Center reported on *Worksheet A*; *Worksheet A1*; *Worksheet A3*; *Worksheet B*; and *Schedule D*, and compared the organizational chart, job descriptions, contracts and HCM Payroll Costs by Department ID and Accounts Payable Voucher Detail reports to the worksheet in which each employee's salaries and benefit costs were reported. We confirmed the payroll costs were properly classified, allocated and allowable under Ohio Admin. Code § 5123:2-7 and Chapter 5160:3, CMS Publication 15-1 and 15-2, 42 CFR 92 and the Developmental Center Cost Report Instructions.

We reported variances for Southwest Center in Appendix A.

Ohio Department of Developmental Disabilities (Developmental Centers)
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion; respectively, on the Centers' Cost Reports. 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. This report is intended solely for the information and use of DODD and ODM and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

April 12, 2019

Appendix A
DODD Developmental Centers
SFY 2017 Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Cambridge Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (5,478)	\$ (5,478)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
Columbus Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (7,495)	\$ (7,495)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
Gallipolis Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (5,290)	\$ (5,290)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (1,055)	\$ (1,055)	To reclassify physician service costs
21. Physician Services (16) Field Audit Non-Labor Adjustments	\$ -	\$ 1,055	\$ 1,055	To reclassify physician service costs
Montgomery Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (3,327)	\$ (3,327)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
WS F - Census Data				
5. Audit Adjustment - Total Stats		(31)	(31)	To remove unsupported inpatient days
Mount Vernon Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (6,370)	\$ (6,370)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments		\$ (13,573)	\$ (13,573)	To reclassify cable installation costs
5. Maintenance and Repairs (16) Field Audit Non-Labor Adjustments	\$ -	\$ 13,573	\$ 13,573	To reclassify cable installation costs
Northwest Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (7,053)	\$ (7,053)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments		\$ (4,901)	\$ (4,901)	To reclassify for fire alarm maintenance and repairs
5. Maintenance and Repairs (16) Field Audit Non-Labor Adjustments	\$ -	\$ 4,901	\$ 4,901	To reclassify for fire alarm maintenance and repairs
WS F - Census Data				
5. Audit Adjustment - Total Stats		87	87	To match inpatient days to revised summary report

Appendix A
DODD Developmental Centers
SFY 2017 Cost Report Adjustments

	Reported Amount		Correction		Corrected Amount	Explanation of Correction
Southwest Developmental Center						
WS A - Adjustment, Summary of Desk Review and Field Audit Adjustments						
4. Administration and General (14) Field Audit Labor Adjustments	\$	-	\$ (6,218)	\$	(6,218)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
5. Maintenance and Repairs (14) Field Audit Labor Adjustments	\$	-	\$ 14,461	\$	14,461	To reclassify maintenance laborer payroll from general routine care
16. General Routine Care (14) Field Audit Labor Adjustments	\$	-	\$ (14,461)	\$	(14,461)	To reclassify maintenance laborer payroll from general routine care
Tiffin Developmental Center						
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments						
4. Administration and General (14) Field Audit Labor Adjustments	\$	-	\$ (5,702)	\$	(5,702)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
Warrensville Developmental Center						
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments						
4. Administration and General (14) Field Audit Labor Adjustments	\$	-	\$ (8,081)	\$	(8,081)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
WS F - Census Data						
3. Patient Days #1		-	32,568		32,568	To reclassify patient days in order for rates to calculate.
3. Patient Days #9		32,568	(32,568)		-	To reclassify patient days in order for rates to calculate.
4. Leave Days #1		-	404		404	To reclassify leave days in order for rates to calculate.
4. Leave Days #9		404	(404)		-	To reclassify leave days in order for rates to calculate.
Youngstown Developmental Center						
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments						
4. Administration and General (14) Field Audit Labor Adjustments	\$	-	\$ (3,374)	\$	(3,374)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
WS F - Census Data						
5. Audit Adjustment - Total Stats		-	(31)		(31)	To remove unsupported inpatient days

OHIO AUDITOR OF STATE KEITH FABER



OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES DEVELOPMENTAL CENTERS

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 23, 2019**