



Dave Yost • Auditor of State



# 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

RE: Union Christel Manor, Inc. dba UCM Residential Services  
Ohio Medicaid Number 0406797

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD), on the Medicaid ICF-IID Cost Report of Union Christel Manor, Inc. dba UCM Residential Services (hereafter referred to as the Provider) for the period January 1, 2017 through December 31, 2017. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report (Cost Report). The sufficiency of these procedures is solely the responsibility of ODM and DODD. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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

### **Occupancy and Usage**

1. We compared the number of Medicaid and non-Medicaid patient days from the Monthly Census reports to *Schedule A-1, Summary of Inpatient Days*. We found no variances.
2. We selected five residents' medical records in December 2017 and compared the total days in care with the inpatient days reported on the Monthly Census reports and *Schedule A-1*. We found no variances. We also found that the Provider did not include any waiver respite days as Medicaid or Medicare days.
3. We compared the number of reimbursed Medicaid days per the Quality Decision Support System (QDSS) with the total Medicaid days on *Schedule A-1*. We found no variances.

### **Revenue**

1. We compared the General Ledger with *Attachment 1, Revenue Trial Balance* and Appendix to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1. We found no differences.
2. We scanned the General Ledger for any revenue offsets or applicable credits which were not reported on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapters 1, 6, and 8.

### Revenue (Continued)

We found worker's compensation rebates exceeding \$500 reported on *Attachment 1, Revenue Trial Balance*. In accordance with CMS Publication 15-1, §§ 804, 805 and 2302.5, and Title 42 CFR § 413.98 (3)(c), we reported applicable credits/revenue offsets in Appendix A.

### Medicaid Paid Claims

1. We selected paid claims from QDSS for December 2017 for the five residents selected in the Occupancy and Usage procedure above and compared the reimbursed days to the days documented per the residents' medical records. We found no variances.

We also compared the documentation to the general requirements of CMS Publication 15-1, Chapter 23, and Ohio Admin. Code § 5123:2-7-12; Ohio Admin. Code § 5123:2-7-08(C) to (I) for 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. We found no differences.

### Non-Payroll Expenses

1. We compared all non-payroll expenses reported on *Schedule B-1, Schedule B-2* and *Schedule C* to the Trial Balance and General Ledger. We found no reportable variances.
2. We scanned the General Ledger and selected 20 non-payroll expenses that were reported on *Schedule B-1, Schedule B-2, and Schedule C* and compared to supporting documentation to verify if the costs were properly allocated, classified, and allowable per Ohio Admin. Code § 5123:2-7, Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no reclassifications between schedules resulting in decreased costs exceeding \$500.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We found an omitted related party contract and reported this variance in Appendix A.
4. We did not perform the procedure on Home office costs and allocation methodology as the Provider did not report Home Office costs on *Schedule B-1, Schedule B-2* or *Schedule C*.
5. We compared the 2017 non-payroll costs reported on *Schedule B-2* and *Schedule C* by chart of account code to similar reported costs in 2016. We obtained the following explanations for five non-payroll variances that increased by more than five percent and \$500:
  - Worker's Compensation Direct Care costs increased on *Schedule B-2* due to premium increases;
  - Staff Development Direct Care costs increased on *Schedule B-2* due to cost increases for CPR training;
  - Travel and Entertainment costs increased on *Schedule C* due to gas and trip increases for community integration;
  - Interest - Other costs increased on *Schedule C* due to loan of \$200,000 for downsizing cash flow; and
  - Other Non-Reimbursable costs increased on *Schedule C* due to payback to ODM from audit.

## Property

1. We compared the initial square footage and year of construction of the 400 Melvin Eley Avenue facility from the Darke County Auditor's property records and floor plan to *Attachment 9, Fair Rental Value Survey*. We found differences in the year of construction as reported in Appendix A. We found no square footage variances exceeding 10 percent.

We also compared the square footage and year reported for one addition from the Darke County Auditor's property records to *Attachment 9, Log 1: Additions and Removals*. We compared the type and cost of the addition to the Cost Report Instructions for ICF-IID to determine if allowable. We found no variances.

2. We compared the project year and cost for one renovation from the Depreciation Expense report to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the addition to the Cost Report Instructions for ICF-IID to determine if allowable. We found no variances.
3. We did not compare secondary buildings to supporting documentation as the Provider did not report any secondary buildings on *Attachment 9*.
4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the Provider's Depreciation Expense report and rental agreements. We also compared these costs to the Cost Report Instructions for ICF-IID and CMS Publication 15-1, Sections 104 and 1011.5. We found no variances greater than \$500.

## Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked reported on the Trial Balance and General Ledger to the amounts reported on *Schedule B-1; Schedule B-2; Schedule C; Schedule C-1, Administrator's Compensation; and Schedule C-2, Owner's Relatives Compensation*. We reported variances in Appendix A.
2. We selected five employees reported on *Schedule B-1, Schedule B-2, and Schedule C* and compared the Payroll for 2017 Report and job descriptions to the schedule in which each employee's salary and fringe benefit expenses were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Chapter 9 and Section 2150. We found no variances.
3. We compared the 2017 payroll costs reported on *Schedule B-1, Schedule B-2, and Schedule C* by chart of account code to similar costs reported in 2016. We obtained the following explanations for five payroll variances that increased by more than five percent and \$500:
  - Registered Nurse costs increased on *Schedule B-2* due to staff increase;
  - Program Director costs increased on *Schedule B-2* due to allocation of administrator time spent on programing with staff and individuals;
  - Activity Staff costs on *Schedule B-2* and Housekeeping costs on *Schedule C* increased due to salary and staff increases; and
  - Plant Operations and Maintenance costs increased on *Schedule C* due to salary and total hour increases.

Union Christel Manor, Inc. DBA UCM Residential Services  
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 Medicaid ICF-IID Cost Report. 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.

This report is intended solely for the information and use of the Provider, ODM and DODD and is not intended to be, and should not be used by anyone other than the specified parties.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 16, 2019

**Appendix A**  
**Union Christel Manor, Inc. DBA UCM Residential Services**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule B-2 Direct Care Cost Center</b>				
11. Program Director - Direct Care - 6155 - Adjustments Increases (Decreases) (4)	\$ 28,170	\$ 1,895	\$ 30,065	To match supporting documentation
39. Workers' Compensation - Direct Care - 6520 - Adjustments Increases (Decreases) (4)	\$ -	\$ (13,567)	\$ (13,567)	To record offset from Attachment 2
<b>Schedule C Indirect Care Cost Center</b>				
13. Workers' Compensation - Dietary - 7065 Adjustments Increases (Decreases) (4)	\$ -	\$ (1,328)	\$ (1,328)	To record offset from Attachment 2
26. Administrator - 7200 - Salary Facility Employed (1)	\$ 65,730	\$ (1,895)	\$ 63,835	To match supporting documentation
57. Workers' Compensation - Indirect Care - 7510 Adjustments Increases (Decreases) (4)	\$ -	\$ (4,782)	\$ (4,782)	To record offset from Attachment 2
<b>Schedule C-3 Cost of Services to Related Parties</b>				
8. Art Sense	\$ -	\$ 480,000	\$ 480,000	To record related party contract for day habilitation services
<b>Attachment 2, Adjustments to Trial Balance</b>				
1. Offset Worker's compensation, (1) Revenue Chart of Account #		5400	5400	To add offset for rebates
1. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -	\$ (4,782)	\$ (4,782)	To add offset for rebates
1. Offset Worker's compensation, (5) Expense Chart of Account #		7510	7510	To add offset for rebates
1. Offset Worker's compensation, (6) Revenue Reference, Attachment 1		59	59	To add offset for rebates
2. Offset Worker's compensation, (1) Revenue Chart of Account #		5400	5400	To add offset for rebates
2. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -	\$ (13,567)	\$ (13,567)	To add offset for rebates
2. Offset Worker's compensation, (5) Expense Chart of Account #		6520	6520	To add offset for rebates
2. Offset Worker's compensation, (6) Revenue Reference, Attachment 1		59	59	To add offset for rebates
2. Offset Worker's compensation, (1) Revenue Chart of Account #		5400	5400	To add offset for rebates
2. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -	\$ (1,328)	\$ (1,328)	To add offset for rebates
2. Offset Worker's compensation, (5) Expense Chart of Account #		7065	7065	To add offset for rebates
2. Offset Worker's compensation, (6) Revenue Reference, Attachment 1		59	59	To add offset for rebates
<b>Attachment 9, Fair Rental Value Survey, Initial Construction</b>				
Year of Initial Construction	1979	4	1983	To match county property records

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# OHIO AUDITOR OF STATE KEITH FABER



**UNION CRISTEL MANOR, INC**

**DARKE 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  
JUNE 4, 2019**