



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



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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 on the Developmental Cost Reports for the year ended June 30, 2019 and certain compliance requirements related to the Cost Reports and Medicaid services, included in the information provided to us by management of the Ohio Department of Developmental Disabilities (DODD), for the following developmental centers: Cambridge, Columbus, Gallipolis, Mount Vernon, Northwest Ohio, Southwest Ohio, Tiffin and Warrensville (the Centers). The DODD is responsible for the Cost Reports for the year ended June 30, 2019 and certain compliance requirements related to the Cost Reports and Medicaid services included in the information provided to us by DODD.

The Department of Medicaid has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Cost Reports for the year ended June 30, 2019, and certain compliance requirements related to the Cost Reports and Medicaid services. 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 the report and may not meet the needs of all users of the 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:

Census Data and Medicaid Paid Claims

1. We footed the inpatient days on the Summary of Inpatient Day and Actual Monthly Individual Roster reports for each Center. There were no computational differences.

We compared the total number of inpatient and leave days on the Summary of Inpatient Day and Actual Monthly Individual Roster reports to *Worksheet F, Medicaid Certified Beds & Inpatient Days*. We found omitted days for Northwest Ohio, Southwest Ohio, and Tiffin Centers as reported in the Appendix.

2. We selected five residents for one month and confirmed the Centers maintained documentation of services provided or leave days for each paid date of service. There were no unsupported days.

For any reimbursed leave days, we obtained the Monthly Individual Roster reports and any prior authorization documentation. We totaled the leave days per resident and, for any days over 30, we confirmed the days were prior authorized.

Recoverable Finding - Columbus Developmental Center: \$1,925.31

DODD was reimbursed for three unauthorized bed hold days in August 2018. We calculated a recoverable finding based on the payments for these three days.

Census Data and Medicaid Paid Claims (Continued)

Recoverable Finding – Northwest Ohio Developmental Center: \$3,102.16

DODD was reimbursed for four unauthorized bed hold days between July and October 2018. We calculated a recoverable finding based on the payments for these four days.

Recoverable Finding - Southwest Ohio Developmental Center: \$5,311.44

DODD was reimbursed nine unauthorized bed hold days between July and October 2018. We calculated a recoverable finding based on the payments for these nine days.

Recoverable Finding - Warrensville Developmental Center: \$22,181.60

DODD was reimbursed for 28 unauthorized bed hold days in December 2018. We calculated a recoverable finding based on the payments for these 28 days.

3. We compared the totals number of reimbursed Medicaid days with the total Medicaid days reported on *Worksheet F*. Total net Medicaid reimbursed units were less than final reported days for each Center.

Mathematical Accuracy

1. We compared the total inpatient days from *Worksheet F* to *Worksheet E, ODM Rate Calculations for Developmental Centers*. There were no omitted days.
We compared total costs for non-payroll, payroll, and capital costs by 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; and Schedule D, Ancillary Cost – Step Down – Labor and Non Labor Related Component* to total costs reported on *Worksheet E*. There were no variances resulting in decreased costs.

Non-Payroll Expenses

1. We compared all direct non-payroll expenses from the Ohio Administrative Knowledge System (OAKS) General Ledger for each Center to the *Worksheets A, A1, C, and D*. There were no differences. We compared all indirect costs from the OAKS General Ledger, Voucher Detail and Quarterly MAC reports to the Indirect Cost Pool Worksheet and from the Indirect worksheet to *Worksheet A3*. There were no reclassifications between worksheets or differences resulting in decreased costs.
2. We scanned the OAKS Voucher Detail report for potential unallowable or improperly allocated costs per CMS 15-1, Chapter 21 and 23 and costs with no business purpose associated with a Center that were reported on *Worksheets A, A1, A3, C and D*.

We selected 40 non-payroll indirect shared central service cost expenses and 20 non-payroll expenses and obtained the invoice and/or contract for each selected expense and, if the purpose of the expense was unclear, we inquired with the DODD. Using this documentation, we performed the following procedures on each expense:

- We confirmed if the documentation was for the full cost of each expense and was maintained in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were unsupported expenses resulting in decreased costs as reported in the Appendix.
- We footed the documentation for each expense for accuracy. There were no computational differences.

Non-Payroll Expenses (Continued)

- We compared the invoice rate to the contractual rate. There were no differences.
- We compared the expense documentation to the unallowable categories listed in CMS 15-1, Chapter 21. There were variances for non-federal reimbursable costs for Cambridge, Gallipolis, Northwest Ohio, Southwest Ohio, and Tiffin Centers as reported in the Appendix.
- We compared the documented direct non-payroll expense and type of expense to the worksheet and program code classification on the Cost Report and with Developmental Center Cost Report Instructions (Cost Report Instructions). There were no reclassifications between worksheets or program codes.
- We documented the name and type of expense and inquired with DODD to confirm that the business purpose of the indirect expense benefitted multiple Centers, per CMS Publication 15-1 § 2302.4. We identified costs that did not benefit multiple Centers. We reported variances exceeding \$500 for all Centers in the Appendix.
- For any errors found in the above, we scanned the corresponding invoices to identify any additional similar errors or misclassifications. There were no additional costs identified that did not benefit the multiple Centers or resulted in decreased costs.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per the Cost Report Instructions. There were no differences.
- We confirmed each amount was expensed during the Cost Reporting period and used the proper accounting basis in accordance with the Cost Report Instructions.
- We compared the cost and type of each expense to the documentation and to the DODD's Depreciation/ Capitalization Policy to confirm that the expense was not a capital asset. We identified capital assets that were included on the OAKS Asset Management report and the Voucher Detail report and, as a result, were duplicately reported on the Cost Reports. DODD stated this was due to a formula error and provided a revised Voucher Detail report with the capital asset costs to be removed from each Center.

We reported variances based on the revised Voucher Detail report in the Appendix. We also selected a sample of 10 equipment transactions over the capital asset threshold from the revised Voucher Detail report that were not included as capital assets to be removed from each Center. We compared the invoice to DODD's Depreciation/ Capitalization Policy and to the OAKS Asset Management report. There were no equipment transactions sampled from the Voucher Detail report that were also included as capital assets and depreciated on the OAKS Asset Management report.

3. We scanned the description for the OAKS Transactional Revenue data for any discounts, allowances, refunds or rebates per CMS Publication 15-1, § 804. We identified offsets and compared the offset to the proper cost component and program code on *Worksheet A* and *A3* and with the Cost Report Instructions. There were no unreported or misclassified offsets.

Payroll

1. We compared all salary and fringe benefit costs from the OAKS General Ledger report to payroll costs on *Worksheets A, A1, A3, B, and Worksheet D*. There were no differences.

Payroll (Continued)

2. We selected a sample of three employees reported on *Worksheets A, A1, A3, and B* for each Center including one employee allocated across all Centers. We obtained the job descriptions, HCM004 Deductions, Earnings and Taxes by Object and Expense report and DC Salaries schedule (payroll documentation) and if the programs that benefitted from the employees work was unclear we inquired with DODD. We performed the following procedures on each employee in the sample:
 - We confirmed the payroll documentation for the full expense was maintained in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were no unsupported payroll expenses.
 - We compared the employee payroll documentation to the unallowable categories listed in CMS 15-1, Chapter 21 and identified any cost that did not benefit the Center in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were no payroll costs that were unallowable or did not benefit the Centers.
 - We compared the documented cost and type of payroll expense to the worksheet and reported program code classification and to the Developmental Center Cost Report Instructions. There were no reclassifications between worksheets or program codes exceeding \$500.
 - For any employee costs allocated across Centers, we compared the cost methodology and allocation statistics for each expense to the allowable methods per Cost Report Instructions. There were no variances.
 - We confirmed allocated payroll costs were expensed during the Cost Report period and used the proper accounting basis in accordance with the Cost Report Instructions.

Contracted Personnel

1. We selected a sample of two contract personnel reported on *Worksheets A, A1, A3, and B* for each Center and obtained the contracts and contractor invoices (contract personnel documentation) and performed the following procedures on each contract expense:
 - We confirmed contract personnel documentation for the full cost of each expense was maintained in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were no unsupported contract personnel expenses resulting in decreased costs.
 - We footed the contract/invoice documentation for each expense for accuracy. There were no computational differences.
 - We compared the invoice rate to the contractual rate. There were no differences.
 - We compared the contract personnel documentation to the unallowable categories listed in CMS 15-1, Chapter 21 and identified any cost that does not benefit the Center in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were no unallowable contract costs or costs without benefit to the Centers.
 - We compared the documented contract cost and type of expense to the worksheet and reported program code classification and to the Developmental Center Cost Report Instructions. There were no reclassifications between worksheets or program codes exceeding \$500.

Contracted Personnel (Continued)

- For any contract personnel costs allocated across Centers, we compared the cost methodology and allocation statistics for each expense to the allowable methods per Cost Report Instructions. There were no cost methodologies or allocation statistics not in accordance with the Cost Report Instructions.
- We confirmed allocated contract personnel costs were expensed during the Cost Report period and used the proper accounting basis in accordance with the Cost Report Instructions.

Property

1. We compared the depreciation costs on the OAKS Asset Management report to the program code classification on *Worksheets A* and *A3*. There were no reclassifications or variances resulting in decreased costs.
2. We scanned the OAKS Asset Management report for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, losses on disposals, or depreciation taken on assets during the period of acquisition or depreciation not properly classified in accordance with CMS 15-1, Chapter 1. There were no variances.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the 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 Centers' Developmental Cost Reports and compliance with certain laws and regulations. Accordingly, we do not express 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 DODD 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

April 28, 2022

**Appendix
DODD Developmental Centers
SFY 2019 Cost Report Adjustments**

	Reported Amount		Correction	Corrected Amount	Explanation of Correction
Cambridge Developmental Center					
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments					
4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (3,783)		To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (14) Field Audit Labor Adjustments			\$ (4,316)	\$ (8,099)	To reclassify staff appreciation expenses as non-federal reimbursable costs.
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -		\$ (116,181)	\$ (116,181)	To remove expense for asset already capitalized.
9. Dietary (16) Field Audit Non- Labor Adjustments	\$ -		\$ (3,256)	\$ (3,256)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -		\$ (13,996)	\$ (13,996)	To remove expense for asset already capitalized. To reclassify staff appreciation expenses as non-federal reimbursable costs.
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 4,316	\$ 4,316	

Columbus Developmental Center

Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments

4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (4,811)	\$ (4,811)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -		\$ (25,906)	\$ (25,906)	To remove expense for asset already capitalized.
5. Maintenance and Repair (16) Field Audit Non-Labor Adjustments	\$ -		\$ (26,849)	\$ (26,849)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -		\$ (20,702)	\$ (20,702)	To remove expense for asset already capitalized.

Gallipolis Developmental Center

Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments

4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (3,261)	\$ (3,261)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
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**Appendix
DODD Developmental Centers
SFY 2019 Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Gallipolis Developmental Center				
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments Continued				
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (17,000)		To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (149,504)	\$ (166,504)	To remove expense for asset already capitalized.
5. Maintenance and Repair (16) Field Audit Non-Labor Adjustments	\$ -	\$ (27,751)	\$ (27,751)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (12,840)	\$ (12,840)	To remove expense for asset already capitalized.
25. Other Non-Reimbursable (16) Field Audit Non-Labor Adjustments	\$ -	\$ 17,000	\$ 17,000	To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.

Mount Vernon Developmental Center

Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments

4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (4,154)	\$ (4,154)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (25,552)	\$ (25,552)	To remove expense for asset already capitalized.
8. Laundry and Linen (16) Field Audit Non-Labor Adjustments	\$ -	\$ (2,150)	\$ (2,150)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (2,828)	\$ (2,828)	To remove expense for asset already capitalized.

Northwest Developmental Center

Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments

4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (3,764)	\$ (3,764)	To remove unsupported shared costs and shared costs that do not indirectly
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**DODD Developmental Centers
SFY 2019 Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Northwest Developmental Center				
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments Continued				
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (2,500)		To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (115,463)	\$ (117,963)	To remove expense for asset already capitalized.
9. Dietary (16) Field Audit Non-Labor Adjustments	\$ -	\$ (14,972)		To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (44,996)		To remove expense for asset already capitalized.
25. Other Non-Reimbursable (16) Field Audit Non-Labor Adjustments	\$ -	\$ 2,500	\$ 2,500	To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.
Worksheet F - Medicaid Certified Beds & Inpatient Days				
Northwest - Audit Adjustment	0	40	40	To add omitted inpatient days from May and June 2019 Monthly Individual Roster reports
Southwest Ohio Developmental Center				
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (3,545)	\$ (3,545)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (14) Field Audit Labor Adjustments		\$ (3,877)	\$ (3,877)	To reclassify staff appreciation expenses as non-federal reimbursable costs.
4. Administration and General (16) Field Audit Non Labor Adjustments		\$ (10,000)		To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (11,503)	\$ (21,503)	To remove expense for asset already capitalized.
5. Maintenance and Repair (16) Field Audit Non-Labor Adjustments	\$ -	\$ (7,650)	\$ (7,650)	To remove expense for asset already capitalized.

**Appendix
DODD Developmental Centers
SFY 2019 Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Southwest Ohio Developmental Center				
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments, Continued				
9. Dietary (16) Field Audit Non-Labor Adjustments	\$ -	\$ (2,314)	\$ (2,314)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (25,087)	\$ (25,087)	To remove expense for asset already capitalized. To reclassify staff appreciation expenses as non-federal reimbursable costs.
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -	\$ 3,877	\$ 3,877	
25. Other Non-Reimbursable (16) Field Audit Non-Labor Adjustments		\$ 10,000	\$ 10,000	To reclassify settlement costs without explanation of reasonableness as non-federal reimbursable costs.
WS F - Medicaid Certified Beds & Inpatient Days				
Southwest - Audit Adjustment	0	31	31	To add omitted inpatient days from July 2018 Summary of Inpatient day report
Tiffin Developmental Center				
WS A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (3,952)		To remove unsupported shared costs and shared costs that do not indirectly benefit Centers To reclassify staff appreciation expenses as non-federal reimbursable costs.
4. Administration and General (14) Field Audit Labor Adjustments		\$ (2,061)	\$ (6,013)	
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (83,069)	\$ (83,069)	To remove expense for asset already capitalized.
5. Maintenance and Repair (16) Field Audit Non-Labor Adjustments	\$ -	\$ (15,000)	\$ (15,000)	To remove expense for asset already capitalized.
8. Laundry and Linen (16) Field Audit Non-Labor Adjustments	\$ -	\$ (16,297)	\$ (16,297)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (28,745)	\$ (28,745)	To remove expense for asset already capitalized. To reclassify staff appreciation expenses as non-federal reimbursable costs.
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -	\$ 2,061	\$ 2,061	

**Appendix
DODD Developmental Centers
SFY 2019 Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Tiffin Developmental Center				
WS F - Medicaid Certified Beds & Inpatient Days				
Tiffin - Audit Adjustment	0	29	29	To add omitted inpatient days from June 2019 Monthly Individual Roster report
Warrensville Developmental Center				
Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments				
4. Administration and General (14) Field Audit Labor Adjustments	\$ -	\$ (5,367)	\$ (5,367)	To remove unsupported shared costs and shared costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -	\$ (39,748)	\$ (39,748)	To remove expense for asset already capitalized.
5. Maintenance and Repair (16) Field Audit Non-Labor Adjustments	\$ -	\$ (77,287)	\$ (77,287)	To remove expense for asset already capitalized.
7. Housekeeping (16) Field Audit Non-Labor Adjustments	\$ -	\$ (1,725)	\$ (1,725)	To remove expense for asset already capitalized.
9. Dietary (16) Field Audit Non-Labor Adjustments	\$ -	\$ (14,217)	\$ (14,217)	To remove expense for asset already capitalized.
16 General Routine Care (16) Field Audit Non-Labor Adjustments	\$ -	\$ (107,480)	\$ (107,480)	To remove expense for asset already capitalized.

OHIO AUDITOR OF STATE KEITH FABER



**OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES DEVELOPMENTAL CENTERS
FRANKLIN 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 6/7/2022

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