



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

RE: Cuyahoga County Board of Developmental Disabilities DBA Bagley House
Ohio Medicaid Number 0770947

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 Cuyahoga County Board of Developmental Disabilities DBA Bagley House (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. 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, the Cuyahoga County Board of Developmental Disabilities 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 Daily 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 total days in care with the inpatient days reported on the Daily 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.

Medicaid Paid Claims

1. We selected paid claims from QDSS for five residents selected in the Occupancy and Usage procedure above for December 2017 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; the specific 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. We found no differences.

Revenue

1. We compared the General Ledger – Account Activity, Summary Schedule and ODM Remittance Advice reports with *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1. We found differences as reported in Appendix A.
2. We scanned the General Ledger – Account Activity report 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 exceeding \$500 in accordance with CMS Publication 15-1, Chapters 1, 6, and 8.

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.

Non-Payroll Expenses

1. We compared all non-payroll expenses reported on *Schedule B-1, Schedule B-2* and *Schedule C* to the General Ledger – Account Activity report. We found no variances.
2. We scanned the General Ledger – Account Activity report and selected 20 non-payroll expenses that were reported on *Schedule B-1, Schedule B-2, Schedule C, and Exhibit 3, Home Office Trial Balance* and compared 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 reported reclassifications between schedules in Appendix A.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We found no unreported contracts.
4. We compared the Allocation of Salary and Benefit Costs to the ICF-IID Program report and the allocation methodology used for Home Office costs on *Schedule B-1, Schedule B-2* and *Schedule C* to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1, Section 2150. We found no reclassification or adjustments resulting in decreased costs exceeding five percent.
5. We compared the 2017 non-payroll costs reported on *Schedule B-1, 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:
 - Habilitation staff costs increased on *Schedule B-2* due to contracted staff being used;
 - Payroll Taxes - Direct care costs increased on *Schedule B-2* due to staff pay increases;
 - Travel and Entertainments costs increased on *Schedule C* due to an increase in community integration;
 - Housekeeping costs increased on *Schedule C* due to a change in cleaning procedures; and
 - Repair and Maintenance costs increased on *Schedule C* due to increased maintenance.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked reported on the General Ledger – Account Activity report to *Schedule B-1, Schedule B-2, Schedule C, and Schedule C-1, Administrator's Compensation*. We found no variances.

Payroll (Continued)

2. We selected a sample of five employees reported on *Schedule B-1, Schedule B-2, and Schedule C* and compared the job descriptions, Payroll Journal and General Ledger – Account Activity report to the schedule in which each employee's salary and fringe benefit expenses were reported.

We confirmed the payroll costs were properly classified, allocated and allowable in accordance with 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, Schedule C, Schedule C-1 and Schedule C-2* by chart of account code to similar costs reported in 2016. We obtained the explanations for four payroll variances that increased by more than five percent and \$500. License Practical Nurse, Habilitation Supervisor, and Habilitation Staff costs increased on *Schedule B-2* due to salary increases and Staff Development - Direct Care costs increased on *Schedule B-2* due to the addition of a new position in 2017.

Property

1. We compared the initial square footage and year of construction of the 19080 Bagley Road facility from the Cuyahoga County Auditor's property records to *Attachment 9, Fair Rental Value Survey*. We reported a difference in the year of construction in Appendix A. We found no differences in square footage.

We did not test *Attachment 9, Log 1: Additions and Removals* as the Provider did not report any additions or removals on this schedule.

2. We compared the project year and cost for five renovations from invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of renovation to the Cost Report Instructions for ICF-IID to determine if allowable. We found no variances.
3. We did not test secondary buildings 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 Depreciation Schedule, General Ledger – Account Activity report and lease agreement. We also compared these costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances.

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.

Cuyahoga County Board of Developmental Disabilities DBA Bagley House
Independent Accountants' Report on
Applying Agreed-Upon Procedures

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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber
Auditor of State
Columbus, Ohio

May 6, 2019

Appendix A
Cuyahoga County Board of Developmental Disabilities DBA Bagley House
2017 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction	
Schedule B-2 Direct Care Cost Center					
39. Workers' Compensation - Direct Care - 6520 - Adjustments Increases (Decreases) (4)	\$ -	\$ (3,423)	\$ (3,423)	To record offset from Attachment 2	
Schedule C Indirect Care Cost Center					
7065 Adjustments Increases (Decreases) (4)	\$ -	\$ (74)	\$ (74)	To record offset from Attachment 2	
57. Workers' Compensation - Indirect Care - 7510 Adjustments Increases (Decreases) (4)	\$ -	\$ (264)	\$ (264)	To record offset from Attachment 2	
52. Repair and Maintenance - 7340 - Other/Contract Wages (2)	\$ 49,800	\$ (5,200)	\$ 44,600	To reclassify expense as a capital asset	
Schedule D Capital Cost Center					
4. Depreciation - Equipment - 8040 - Total (3)	\$ 799	\$ 43	\$ 842	To reclassify expense as a capital asset	
Schedule D-1 Analysis of Property, Plant and Equipment					
5. Equipment - Additions or Reductions (3)	\$ -	\$ 5,200	\$ 5,200	To reclassify capital asset expense	
5. Equipment - Accumulated Depreciation End of Period (5)	\$ 11,513	\$ 43	\$ 11,556	To reclassify capital asset expense	
5. Equipment - Depreciation this Period (7)	\$ 799	\$ 43	\$ 842	To reclassify capital asset expense	
Attachment 1, Revenue Trial Balance					
Other Services					
59. Other	\$ -	\$ 4,350		To report workers compensation revenue	
		\$ 1,000		To report donation revenue	
		\$ 6,841	\$ 12,191	To report miscellaneous revenue	
Attachment 2, Adjustments to Trial Balance					
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)	\$ -	\$ (3,423)	\$ (3,423)		To add offset for rebates
1. Offset Worker's compensation, (5) Expense Chart of Account #			6520	6520	To add offset for rebates
1. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line			59	59	To add offset for rebates

Appendix A
Cuyahoga County Board of Developmental Disabilities DBA Bagley House
2017 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Attachment 2, Adjustments to Trial Balance, Continued				
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)	\$ -	\$ (74)	\$ (74)	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 Line		59	59	To add offset for rebates
3. Offset Worker's compensation, (1) Revenue Chart of Account #		5400	5400	To add offset for rebates
3. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -	\$ (264)	\$ (264)	To add offset for rebates
3. Offset Worker's compensation, (5) Expense Chart of Account #		7510	7510	To add offset for rebates
3. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		59	59	To add offset for rebates
Attachment 9, Fair Rental Value Survey, Initial Construction				
Year of Initial Construction	1980	(27)	1953	To match county records

OHIO AUDITOR OF STATE
KEITH FABER



CUYAHOGA COUNTY BOARD DEVELOPMENTAL DISABILITIES BAGLEY HOUSE

CUYAHOGA 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
MAY 28, 2019**