



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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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 Area Office on Aging of Northwestern Ohio, Inc's Medicaid Waiver Cost Report (Cost Report) and certain compliance requirements related to contract monitoring for the year ended June 30, 2020 included in the information provided to us by the management of the Area Office on Aging of Northwestern Ohio, Inc. The Area Office on Aging of Northwestern 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 compared the revenue on *Final Page A* to the Normal Trial Balance and the prior year Cost Report. There were no variances.
2. We agreed client liability amounts from the Normal Trial Balance to the Client Liability Worksheets and Client Liability Cash Reconciliation reports, and then agreed the Reconciliation reports and the prior Cost Report to *Final Page C*. There were no variances.

### **Square Footage**

1. We compared square footage from the floor plans to the square footage summary and from the summary to the August 2019 Square Footage Allocation Worksheet. We then compared the worksheet to invoices used to allocate rent costs to the Cost Report. There were no cost allocation variances.

### **Trial Balance and Non-Payroll Expenses**

1. We compared the disbursements for each waiver from the Normal Trial Balance to the Passport Summary Report and from the Summary report to *Worksheet 1*. There were no variances.

### **Trial Balance and Non-Payroll Expenses (Continued)**

We compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail*. Total Worksheet 2 costs exceeded PIMS costs by more than one half percent. The Cost Report contained an explanation of the variance.

2. We scanned the Standard General Ledger and selected 60 disbursements from any cost report accounts on Worksheet 1 exceeding five percent of total non-payroll costs on each waiver worksheet. We compared supporting documentation and classification of the disbursement to the Cost Report Instructions, 2 CFR part 200.400-.475, and the PAA's Cost Allocation Plan.

We totaled identified variances by Cost Report account. We found a reclassification exceeding \$1,000 as reported in the appendix. For the errors found, we also scanned the corresponding vouchers and found no additional similar errors or misclassifications.

3. We compared the allocation methodology applied on *Worksheet 1* to the approved methodologies in the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no differences.

### **Payroll**

1. We compared total salaries and benefits for each waiver from the Normal Trial Balance to the Passport Summary Report and from the Summary report to *Worksheet 1*. There were no variances.
2. We selected 10 employees and compared the hours for each cost center on the May 2020 Time Study report to the Time Study Allocation and Wage Allocations reports. We also compared total monthly salaries and benefits for each employee from the Payroll Register to the Wage Allocation report. We then compared the cost allocated to each cost center on the Wage Allocation reports to the organization chart and the Monthly Wage Allocation worksheet and to the Passport Summary Report. We then compared costs from the Passport Summary Report to *Worksheet 1*. We also compared the reported salaries and benefits to the Cost Report Instructions and 2 CFR part 200.400-.475 to confirm costs were properly allocated, classified and allowable. There were no variances.

### **Property**

1. We compared the capital costs from the Property Schedule to the Passport Summary Worksheet and from the Passport Summary to Worksheet 1. There were no differences.
2. We compared the FY 2020 Property Schedule to the FY 2019 Property Schedule for changes in the depreciation amounts for assets purchased prior to FY 2020, 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.
3. We did not perform capital asset testing as no capital assets were being depreciated in the first year in FY 2020.
4. We did not perform disposed asset testing as there were no disposed assets and/or corresponding gains or losses for FY 2020.
5. We scanned the Standard General Ledger for items purchased during the FY 2020 that met the capitalization criteria and traced them to the Property Schedule. We found no reclassifications or variances resulting in decreased costs.

### **Contract Monitoring**

1. We obtained the PAA's written procedures for provider oversight processes. We selected five providers for each type of provider oversight, including five new providers, five structural compliance reviews and five providers with disciplinary findings and obtained documentation of all oversight processes performed during FY 2020. We confirmed the documentation for provider oversight processes was maintained in accordance with the written procedure requirements and in accordance with Section III (A)(3)(d)(ii) in its Three Party Agreement.

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

October 21, 2021

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM		PASSPORT			COST REPORT					
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
2	1	8	Building Services	Screening	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$31,402.00	\$ (162.11)	\$31,239.89	
2	1	8	Building Services	Assessment	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$40,718.00	\$ (210.21)	\$40,507.79	
2	1	8	Building Services	Case Management	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$78,183.00	\$ (403.62)	\$77,779.38	
2	1	8	Building Services	Provider Relations	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$10,419.00	\$ (53.79)	\$10,365.21	
2	1	8	Building Services	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$25,356.00	\$ (130.90)	\$25,225.10	
2	1	11	Other Expenses	Screening	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$18,987.00	\$ 162.11	\$19,149.11	
2	1	11	Other Expenses	Assessment	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$22,243.00	\$ 210.21	\$22,453.21	
2	1	11	Other Expenses	Case Management	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$46,707.00	\$ 403.62	\$47,110.62	
2	1	11	Other Expenses	Provider Relations	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$6,514.00	\$ 53.79	\$6,567.79	
2	1	11	Other Expenses	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$15,076.00	\$ 130.90	\$15,206.90	

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM		ASSISTED LIVING			COST REPORT					
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
2	1	8	Building Services	Assessment	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$4,585.00	\$ (23.67)	\$4,561.33	
2	1	8	Building Services	Case Management	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$14,839.00	\$ (76.61)	\$14,762.39	
2	1	8	Building Services	Provider Relations	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$939.00	\$ (4.85)	\$934.15	
2	1	8	Building Services	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$3,274.00	\$ (16.90)	\$3,257.10	
2	1	11	Other Expenses	Assessment	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$2,547.00	\$ 23.67	\$2,570.67	
2	1	11	Other Expenses	Case Management	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$8,896.00	\$ 76.61	\$8,972.61	
2	1	11	Other Expenses	Provider Relations	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$566.00	\$ 4.85	\$570.85	
2	1	11	Other Expenses	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$1,946.00	\$ 16.90	\$1,962.90	

PROGRAM		MY CARE OHIO			COST REPORT					
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
1	1	11	Other Expenses	General Administration	To agree to actual costs	Cost report instructions	\$1,017.00	\$ (44.39)		
2	1	11	Other Expenses	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions		\$ 8.45	\$981.06	
2	1	8	Building Services	General Administration	Reclassification of Annual software fees and licenses to Other Expenses	Cost Report Instructions	\$1,636.00	\$ (8.45)	\$1,627.55	

Total Effect on Cost Report \$ (44.39)

# OHIO AUDITOR OF STATE KEITH FABER



**AREA OFFICE ON AGING OF NORTHWESTERN OHIO, INC.**

**LUCAS 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 11/16/2021**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)