



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 intermediate care facility for individuals with intellectual disabilities, REM Ohio Inc., DBA REM Ohio York Road's (the ICF-IID) Medicaid ICF-IID Cost Report and Medicaid payments for the year ended December 31, 2019 and certain compliance requirements related to the Cost Report and Medicaid services, included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Medicaid ICF-IID Cost Report for the year ended December 31, 2019 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Department of Medicaid and the Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2019, and certain compliance requirements related to the Cost Report 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:

Occupancy and Usage

1. We footed the Summary of Inpatient Days and Daily Census reports. There were no computational errors.

We compared the total number of Medicaid and non-Medicaid patient days from the Daily Census reports for each month to the Summary of Inpatient Days and from the summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.

2. We selected all five residents' medical records for the month of October 2019 and compared the total days of care with inpatient days reported on the Daily Census report and *Schedule A-1*. There were no omitted days.

Medicaid Paid Claims

1. We selected paid claims from October 2019 from the Quality Decision Support System (QDSS) for all five residents selected in the Occupancy and Usage procedure and compared the reimbursed days to the days documented per the resident's medical records and to the payment adjustment requirements for resident's admission, discharge or death in the Ohio Admin. Code § 5123:2-7-15. There were no unsupported or unallowable reimbursed days.

Medicaid Paid Claims (Continued)

We compared the medical records and documentation of authorization for any bed hold days in excess of 30 in a calendar year and waiver respite days to the paid claims data. There were no bed hold days in excess of 30 days and no waiver respite days.

2. We compared the total number of reimbursed days per QDSS with the total Medicaid days on *Schedule A-1*. The reported days equaled paid days.

Revenue

1. We compared the General Ledger and Medicaid Cost Report Trial Balance, and Adjusting Journal Entries worksheet to *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123-7-12, and CMS Publication 15-1. There were no variances.
2. We scanned the General Ledger, Medicaid Cost Report Trial Balance, and Adjusting Journal Entries worksheet 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.

We found worker's compensation rebates exceeding \$500 on *Attachment 1*. We reported these amounts in the Appendix as applicable credits/revenue offsets in accordance with CMS Publication 15-1, § 804.

Non-Payroll Expenses

1. We compared all non-payroll expenses on the Cost Pools, State, Central and Northern Regional Home Office Allocation worksheets to the Adjusting Journal Entries worksheet and the Adjusting Entries worksheet to Medicaid Cost Report Trial Balance and the Trial Balance to *Schedule B-1, B-2 and C*. There were no variances.
2. We scanned the General Ledger report and selected 30 non-payroll expenses and 10 home office expenses from *Schedules B-1; B-2; and C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Cost Report Instructions for ICF-IID and CMS Publication 15-1 to confirm costs were properly allocated, classified, and allowable. There were no reclassifications between schedules exceeding \$500; however, there was one variance resulting in decreased costs as reported on the Appendix.
3. We compared the methodology used in the State and Central and Northern Regional Home Office Allocation worksheets for *Schedules B-1, B-2 and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, Section 2150. There were no variances.

Property

1. We compared the initial square footage and year of construction of the intermediate care facility address at 11290 York Road facility from the lease agreement to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year or square footage variances exceeding 10 percent.
2. We compared the project year and cost for the one renovation from the invoice 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. There was no variance in the year or decrease in costs.

Property (Continued)

3. We compared the square footage and year of construction of the office located at 9775 Rockside Road, Suite 200 from the lease agreement and Cuyahoga County Property tax records to *Attachment 9: Log 3: Secondary Buildings*. There was no square footage variance; however, there was a variance with the year of construction as reported in the Appendix.

We also compared the utilization percentage from the Northern Regional Home Office Allocation worksheets to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1. There were no variances.

4. We compared equipment depreciation and home office capital costs from the Depreciation Schedule and Adjusting Journal Entries worksheet to *Schedule D, Capital Cost Center*, the Cost Report Instructions and CMS Publication 15-1. There were no variances.

We selected one capital asset each from account 8040 and 8090 which were being depreciated in the first year. We recalculated the first year's depreciation for the two assets selected, based on the Cost Report instructions and useful lives prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and identified one variance resulting in decreased costs as reported in the Appendix.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries on the Cost Pools, State, Central and Northern Regional Home Office Allocation worksheets to the Adjusting Journal Entries worksheet and the Adjusting Entries worksheet to Medicaid Cost Report Trial Balance and the Trial Balance to *Schedule B-1, Schedule B-2 and Schedule C*. There were no variances.

We also compared hours worked and salaries from the Administrator's Wage Allocation and Total Breakdown worksheets to *Schedule C-1, Administrator's Compensation*. There were no variances resulting in decreased costs.

2. We selected a sample of five employees and two contracted individuals reported on *Schedule B-2, Schedule C, and C-1*. We compared the job descriptions and one month of timesheets to the Pay Statement and the Employee Earnings by Type report and the Employee Earnings report and contract invoices to the Medicaid Cost Report Trial Balance and from the Trial Balance to the schedule in which each employee's salary and fringe benefit expenses and contract costs were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7 and to CMS Publication 15-1, Chapter 9 and Section 2150. There were adjustments for contract costs resulting in decreased costs. We identified additional contract errors for the remaining months in 2019 and reported the total errors in the Appendix.

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 ICF-IID's Medicaid ICF-IID Cost Report 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.

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Cuyahoga County
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Applying Agreed-Upon Procedures
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We are required to be independent of the ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.

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 28, 2022

Appendix
REM Ohio Inc., DBA REM Ohio York Road
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
1. Medical Director - 6100 - Other/Contract Wages (2)	\$ 3,600	\$ (900)	\$ 2,700	To remove contract costs without supporting documentation of service hours for October to December 2019.
39. Workers' Compensation - Direct Care - 6520 - Other/Contract Wages (2)	\$ 3,111	\$ (3,111)	\$ -	To record worker's compensation rebate as an offset on Schedule B-2
Schedule C Indirect Care Cost Center				
48. Home Office Costs/Indirect Care, Nonpayroll Column 2	\$ 42,250	\$ (29)	\$ 42,221	To remove a home office cost directly related to another ICF
57. Workers' Compensation - Indirect Care - 7510 - Other/Contract Wages (2)	\$ 33	\$ (33)	\$ -	To record worker's compensation rebate as an offset on Schedule C
Schedule D, Capital Cost Center				
11. Home Office Costs/Capital Cost ** - 8090 - Total (3)	\$ 10,820	\$ (67)	\$ 10,753	To adjust capital asset depreciation for correct useful life
Attachment 2, Adjustments to Trial Balance				
1. Description		Worker's Comp Refund	Worker's Comp Refund	
1. Revenue Chart of Account # (1)	-	5400	5400	To add BWC Rebate
1. Other Increase/(Decrease) (4)	- \$	(3,111)	\$ (3,111)	To add BWC Rebate
1. Expense Chart of Account (5)	-	6520	6520	To add BWC Rebate
1. Revenue Reference Attachment Line 1 (6)	-	59	59	To add BWC Rebate
2. Description		Worker's Comp Refund	Worker's Comp Refund	
2. Revenue Chart of Account # (1)	-	5400	5400	To add BWC Rebate
2. Other Increase/(Decrease) (4)	- \$	(33)	\$ (35)	To add BWC Rebate
2. Expense Chart of Account (5)	-	7510	7510	To add BWC Rebate
2. Revenue Reference Attachment Line 1 (6)	-	59	59	To add BWC Rebate
Attachment 9, Fair Rental Value, Log 3: Secondary Buildings				
1. Home Office//Record Storage - Year of Construction	1999	(10)	1989	To correct year of construction to County Auditor's records

OHIO AUDITOR OF STATE KEITH FABER



REM OHIO INC., DBA REM OHIO YORK ROAD

CUYAHOGA 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 5/24/2022

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This report is a matter of public record and is available online at
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