



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 intermediate care facility for individuals with intellectual disabilities, Res-Care Ohio, Inc. dba Canterbury Villa'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 Census Summary. There were no computational errors.

We compared the number of Medicaid and non-Medicaid patient days from the Census Summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.

2. We selected eight residents' medical records for August 2019 and compared the total days of care with inpatient days reported on the Census Summary and *Schedule A-1*. There were no omitted days.

### Medicaid Paid Claims

1. We selected paid claims from the Quality Decision Support System (QDSS) for the eight residents selected in the Occupancy and Usage procedure and compared the reimbursed days for one month 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 or any 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 exceeded paid days.

### Revenue

1. We compared revenues on the Cost Group Detail report with *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 Cost Group Detail 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 in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. There were no revenue offsets/applicable credits exceeding \$500.

### Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedule B-1, Schedule B-2 and Schedule C* to the Detailed General Ledgers, Cost Group Detail Report and Home Office Allocation worksheets. There were no variances.
2. We scanned the Detailed General Ledgers 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. There were variances for decreased costs and non-reimbursable costs as reported in the Appendix. We scanned the corresponding invoices and found no similar errors or misclassifications.
3. We compared the cost methodology used in the 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 year of initial construction and square footage of the 80 Miller Street Centerburg facility from the Knox County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were no difference.
2. We also compared the project year and change in square footage for the one removal from the Residential Care Facility License and Knox County Auditor's Property records to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. There were no variances.
3. We compared the project year and cost for three renovations from the invoices 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 were no variances.

### Property (Continued)

4. We compared the square footage and year of construction of secondary buildings from the square footage summary, building property brochures and the Franklin County Auditor's property records to *Attachment 9: Log 3: Secondary Buildings*.

There were no square footage variances for the secondary building reported on line two of *Attachment 9: Log 3*. The secondary building reported on line one of *Attachment 9: Log 3* was comprised of multiple home office locations reported on the secondary building square footage summary, with separate square footage and different years. We found total square footage variances exceeding 10 percent for the secondary buildings on line one of *Attachment 9: Log 3* as reported in the Appendix. There were no year variances for the secondary building reported on line two of *Attachment 9: Log 3*. The secondary building on line one of *Attachment 9: Log 3* reported only one year for the combined home office locations.

We also compared the utilization percentage from the Home Office Allocation worksheets to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1. There were variances as reported in the Appendix.

5. We compared equipment depreciation and lease costs from the Fixed Asset schedules, Home Office Allocation Worksheets, and Detailed General Ledger to *Schedule D, Capital Cost Center*, the Cost Report Instructions and CMS Publication 15-1. There was a variance as reported in the Appendix.

We selected one capital asset from account 8090 which was being depreciated in the first year. We recalculated the first year's depreciation for the asset 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 Â§ 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation. There were no variances resulting in decreased costs.

### Payroll

1. We compared all salary, fringe benefits, payroll tax entries from the Detailed General Ledgers, Cost Group Detail Report and Home Office Allocation worksheets to *Schedule B-2* and *Schedule C*. There were no variances resulting in decreased costs. We also compared hours worked and salaries from the Administrator's Wage Allocation Worksheet to *Schedule C-1, Administrator's Compensation*. There were no variances.
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 and the Payroll Report and contract invoices to the Detailed General Ledger and from the Detailed General Ledger 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 no variances resulting in decreased costs.

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.

Res-Care Ohio, Inc. dba Canterbury Villa  
Knox County  
Independent Accountants' Report on  
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

March 2, 2022

**Appendix  
Res-Care Ohio, Inc. DBA Canterbury Villa  
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Schedule B-1 Other Protected Costs</b>				
9. Trash and Refuse Removal - 6040 - Other/Contract Wages (2)	\$ 5,357	(414)	\$ 4,943	To reclassify costs without supporting documentation as non-federal reimbursable
<b>Schedule C Indirect Care Cost Center</b>				
29. Office and Administrative Supplies - 7220 - Other/Contract Wages (2)	\$ 3,194	\$ (403)		To reclassify costs without supporting documentation as non-federal reimbursable
		\$ (7)	\$ 2,784	To remove portion of expense not supported by invoice
52. Repair and Maintenance - 7340 - Other/Contract Wages (2)	\$ 22,590	\$ (436)	\$ 22,154	To reclassify costs without supporting documentation as non-federal reimbursable
68. Other Non-Reimbursable	\$ -	\$ 1,253		To reclassify costs without supporting documentation as non-federal reimbursable
<b>Schedule D Capital Cost Center</b>				
11. Home Office Costs/Capital Cost ** - 8090 - Total (3)	\$ 12,389	\$ (19)	\$ 12,370	To remove unsupported depreciation expense
<b>Fair Rental Value Log 3: Secondary Building</b>				
1. Home Office/Record Storage, Total Square Footage	182,012	(18,213)	163,799	To correct Home Office Square Footage to agree to summary
1. Home Office/Record Storage, Utilization/Allocation Percent	0.05	(0.01)	0.04	To correct Utilization/Allocation Percentage
2. Home Office/Record Storage, Utilization/Allocation Percent	9.23	(1.04)	8.19	To correct Utilization/Allocation Percentage

# OHIO AUDITOR OF STATE KEITH FABER



**RES-CARE OHIO, INC. DBA CANTERBURY VILLA**

**KNOX 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 3/24/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)