



OHIO AUDITOR OF STATE
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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, Rose-Mary, The Johanna Grasselli Rehabilitation & Education Center, Inc. DBA Rose-Mary Ridgewood Home'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 Monthly Census Summary Reports. There were no computational errors.

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

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

Medicaid Paid Claims

1. We selected paid claims for one month from the Quality Decision Support System (QDSS) for the seven 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.

Medicaid Paid Claims (Continued)

Recoverable Finding: \$ 419.57

The ICF-IID was reimbursed for the day of discharge for one resident. We calculated a recoverable finding in the amount of \$419.57.

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 unallowable 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 the paid days.

Revenue

1. We compared revenues on the General Ledger and Income Statement 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 and Income Statement 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.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the Adjustments Worksheet to the Income Statement and from the Income Statement and Home Office Allocation Worksheet to *Schedule B-1, B-2* and *C*. There were no variances.
2. We scanned the 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 no reclassifications between schedules exceeding \$500. There were variances for non-federal reimbursable costs and decreases in costs as reported in the Appendix. We found variances for non-federal reimbursable costs and decreases in costs. We scanned the corresponding invoices and found additional errors. We reported all variances in the Appendix.

3. We compared the cost methodology used in the Home Office Expense Allocation Worksheet for *Schedules B-1, B-2* and *C* to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, Section 2150. There were no differences.

Property

1. We compared the year of initial square footage and construction of the 9349 West Ridgewood Road facility from the Cuyahoga County Auditor's Property records and floor plans to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year, however, there was a square footage variance exceeding 10 percent as reported in the Appendix.

Property (Continued)

2. We compared the project year and cost for the renovation on *Attachment 9, Log 2: Renovations Projects* to the invoice. We also compared the type and cost of the addition to the Cost Report Instructions for ICF-IID. There were no year variances or decreases in costs.
3. We compared the square footage and year of construction of 2346 West 14th Street, Cleveland, Ohio facility from Cuyahoga County Auditor's Property tax records to *Attachment 9: Log 3: Secondary Buildings*. There was no variance in the year of construction; however, we found a variance in square footage exceeding 10 percent as reported in the Appendix.

We also compared the utilization percentage from the Home Office Expense Allocation Worksheet to *Attachment 9*, the Cost Report Instructions and CMS Publication 15-1. There was no variance resulting in a decrease in the utilization percentage.

4. We compared depreciation and lease costs from the Asset Depreciation Report, General Ledger and the Home Office Expense Allocation Worksheet to *Schedule D, Analysis of Property, Plant, and Equipment*, the Cost Report Instructions and CMS Publication 15-1. An adjustment to remove the loss for disposed assets, in accordance with CMS Publication 15-1, Section 104.10(E) is reported in the Appendix.
5. We selected one capital asset from accounts 8040, 8050 and 8090 which were being depreciated in the first year. We recalculated the first year's depreciation for the three 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. We found no variances resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries on the Adjustments Worksheet to the Income Statement and from the Income Statement and Home Office Allocation Worksheet to *Schedule B-2 and Schedule C*. We also compared hours worked and salaries from the Payroll Group Wages Summary by Cost Center report 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 organizational chart, job descriptions, monthly employee pay stub report, Employee Payment Summary, contracts and contract invoices to the General Ledger and from the General Ledger to the schedule in which each employee's salary and fringe benefit and contractor 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 unallowable payroll costs for an employee who worked for another ICF-IID as reported in the Appendix. We obtained Employment Payment Summary reports for the remaining months in 2019 and compared the reports to the subaccount code for the ICF-IID. We found no additional errors or misclassifications.

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.

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.



Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2022

Appendix

**Rose-Mary, The Johanna Grasselli Rehabilitation & Education Center,
Inc. DBA Rose-Mary Ridgewood Home
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 - Direct Care Cost Center				
13. Habilitation Staff - 6170 - Salary Facility Employed (1)	\$ 353,051	\$ (124)	\$ 352,927	To remove payroll costs allocable to another ICF
38. Payroll Taxes - Direct Care - 6510 - Other/Contract Wages (2)	\$ 34,206	\$ (9)	\$ 34,197	To remove payroll taxes allocable to another ICF
39. Workers' Compensation - Direct Care - 6520 - Other/Contract Wages (2)	\$ 5,158	\$ (2)	\$ 5,156	To remove Workers' Compensation allocable to another ICF
Schedule C - Indirect Care Cost Center				
7. Food In-Facility - 7040 - Other/Contract Wages (2)	\$ 25,188	\$ (415)	\$ 24,773	To remove costs allocable to another ICF
22. Incontinence Supplies - 7115 - Other/Contract Wages (2)	\$ 5,476	\$ (103)	\$ 5,373	To remove supply costs allocable to another ICF
35. Housekeeping - 7245 - Other/Contract Wages (2)	\$ 5,929	\$ (39)	\$ 5,890	To remove housekeeping costs allocable to another ICF
48. Home Office Costs/Indirect Care ** - 7310 - Other/Contract Wages (2)	\$ 21,516	\$ (89)	\$ 21,427	To reclassify sponsorship costs as non-federal reimbursable costs
75. Contributions and Donations - 9760 - Other/Contract Wages (2)	\$ 1,057	\$ 89	\$ 1,146	To reclassify sponsorship costs as non-federal reimbursable costs
Schedule D - Capital Cost Center				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 7,235	\$ (3,141)	\$ 4,094	To remove loss on disposal of equipment
Attachment 9, Fair Rental Value Survey Initial Construction				
Initial square footage (building total):	4,054	797	4,851	To agree to square footage on floor plan
Fair Rental Value Log 3: Secondary Buildings				
1. Home Office/Record Storage - Total Square Footage	12,881	(1,879)	11,002	To agree to square footage per county auditor property records

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**ROSE-MARY, THE JOHANNA GRASELLI REHABILITATION & EDUCATION CENTER, INC. DBA
ROSE-MARY RIDGEWOOD HOME**

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 3/15/2022

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