



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
(614) 466-3340
ContactUs@ohioauditor.gov

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 Madison Village Manor, Inc. dba The Gables's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022, 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 Cost Report for the year ended December 31, 2022, and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio 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, 2022, 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:

Census Data and Medicaid Paid Claims

1. We footed the Patients Daily Census reports for each month of CY 2022. There were no computational errors. We compared the total of inpatient and leave days from the census reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected two residents from the Patients Daily Census reports. We obtained the medical records for the selected individuals for one month. We confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123-3-04(J) for one of the two residents. We found no omitted days or leave days.

Recoverable Finding: \$1,302.70

We found one resident without supporting medical records for seven days in February 2022. We compared these dates to the Summary by Service Code and found unsupported payments for all seven days and calculated a finding in the amount of \$1,302.70 per Ohio Admin. Code §5160-1-17.2(D).

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found net Medicaid reimbursed days equaled final reported days.

Revenue

1. We agreed the revenue on the General Ledger to the Working Trial Balance and the Trial Balance and Cost Report Adjustments to revenue reported on *Attachment 1, Revenue Trial Balance* and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances.
2. We scanned the description in the General Ledger for any discounts, allowances, refunds or rebates and compared these entries to the chart of account codes 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*. We found no unreported offsets.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the Cost Report Adjustments report to the Working Trial Balance and from the Working Trial Balance to *Schedule B-1, B-2 and C*. We found no variances.

We scanned the General Ledger for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

2. We selected 30 non-payroll expenses from *Schedules B-1, B-2 and C*, including a minimum of two contract personnel/position vouchers. We obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rate. We found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found no non-federal reimbursable unallowable costs.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions).

We found variances between schedules exceeding \$500 as reported in the Appendix. For these errors, we scanned the General Ledger for other like errors in the same cost center and found no additional similar errors or misclassifications.

- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no cost that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and the ICF's Depreciation/ Capitalization Policy to confirm that the expense was not a capital asset.

Non-Payroll Expenses (Continued)

- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.

Payroll

1. We compared all salary and fringe benefits from the Cost Report Adjustments report to the Working Trial Balance and from the Working Trial Balance to *Schedules B-1, B-2 and C*. We found no variances.

We also compared hours and percentage of time worked and salaries from the Payroll Summary by Employee report to the Wage Variance worksheet and from the worksheet to *Schedule C-1, Administrator's Compensation and Schedule C-2, Owner's Relatives Compensation*. There were no variances.

2. We obtained the Payroll summary by Employee and selected five employees reported on *Schedules B-1, B-2, and C* and all employees on *Schedules C-1 and C-2* and if the programs which benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:

- We compared the Payroll Summary by Employee to the General Ledger and Trial Balance and the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
- We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable expenses.
- We compared the employee job description, organizational chart and salary and benefit costs on Payroll Summary by Employee report to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances.
- We compared the cost methodology and allocation statistics for each employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the 731 North Lake Street facility from the Lake County Auditor's Property records and DODD correspondence to *Attachment 9, Fair Rental Value Survey*. There were no variances in the year or square footage.

We also compared the type and year of construction for one reduction/removal from the DODD Bed Reduction Letter to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. We found no difference in the year, type or square footage.

2. We compared the project year, type and cost for five recent 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. There were variances resulting in decreases in costs as reported in the Appendix.

Property (Continued)

3. We compared equipment depreciation from the Depreciation Report to *Schedule D, Capital Cost Center*, the Cost Report Instructions. There were no variances. We scanned the Depreciation Report and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E) and we found none.
4. We selected one capital asset from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the one 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 § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variances.

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 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 ICF-IID's 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

January 17, 2024

Appendix
Madison Village Manor, Inc. dba The Gables
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 OTHER PROTECTED COSTS				
2. Medical Supplies - medicare non-billable - 6001 - Other/Contract Wages (2)	\$ 13,890	\$ (642)	\$ 13,248	To reclassify non-medical supply, housekeeping, linen and repair costs
Schedule B-2 DIRECT CARE COST CENTER				
13. Habilitation Staff - 6170 - Other/Contract Wages (2)	\$ -	\$ 1,060	\$ 1,060	To reclassify reissued payroll check to hab employee
Schedule C INDIRECT CARE COST CENTER				
22. Incontinence Supplies - 7115 - Other/Contract Wages (2)	\$ 1,421	\$ 53	\$ 1,474	To reclassify incontinence supplies
24. Program Supplies- 7125 - Other/Contract Wages (2)	\$ 214	\$ 14	\$ 228	To reclassify program supplies
29. Office & Administrative Supplies -7220 - Other/Contract Wages (2)	\$ 15,644	\$ (1,060)	\$ 14,584	To reclassify reissued payroll check to hab employee
35. Housekeeping - 7245 - Other/Contract Wages (2)	\$ 7,575	\$ 355	\$ 7,930	To reclassify housekeeping costs
36. Laundry & Linen - 7250- Other/Contract Wages (2)	\$ 1,070	\$ 89	\$ 1,159	To reclassify linen costs
52. Repair & Maintenance -7340 - Other/Contract Wages (2)	\$ 19,878	\$ 131	\$ 20,009	To reclassify repair costs
Fair Rental Value Log 2: Renovations Projects Log				
2018 Renovations/Improvements	\$ 58,295	\$ (16,291)	\$ 42,004	To reduce renovations due to lack of supporting documentation
2019 Renovations/Improvements	\$ 34,804	\$ (1,272)	\$ 33,532	To reduce renovations due to lack of supporting documentation

OHIO AUDITOR OF STATE KEITH FABER



MADISON VILLAGE MANOR, INC. DBA THE GABLES

LAKE 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 2/6/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov