



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 Sunshine Inc. Residential and Support Services dba Sunshine Children's Home'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 Base Census report. There were no computational errors. We compared the total of inpatient and leave days from the census report to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected six residents from the Base Census report and included residents with leave days in the selection. 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). We found no omitted days.

For any reimbursed leave days, we totaled the leave days per resident from all months in 2022 from the Leave Day per Resident report and found there were no residents with over 30 leave days for the year.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days were greater than net Medicaid reimbursed days.

Revenue

1. We agreed the revenue reported on the Income Statement to *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 or 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 Trial Balance to *Schedule B-1, B-2 and C*. We found no variances.

We scanned the General Ledger report 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 and 10 home office 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. We compared the invoice rate to the contracted rate and found no variances with 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-reimbursable 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 as noted in the Appendix.
 - We documented the name and type of expense and inquired with the 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 and confirmed that the expense was not a capital asset.
 - 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. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.

Non-Payroll Expenses (Continued)

3. We compared the cost methodology used in the Departmental Home Office and Journal Entry reports to the Home Office Breakdown worksheet and from the Breakdown worksheet to Schedules B-1, B-2 and C and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. There were no reclassifications or adjustments resulting in decreased costs.

Payroll

1. We compared all salary and fringe benefits on the Trial Balance to *Schedules B-1, B-2, and C*. We found no variances.

We also compared hours and the percentage of time worked and salaries from the Home Office Net Admin Salary & Wages Survey Worksheet to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We obtained the Wage Results History Detail By Employee report and selected five employees reported on Schedules *B-1, B-2, C* and the one employee reported on *C-1* 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 salary and benefits on the Wage Results History Detail By Employee report to General Ledger and from the General Ledger to the Trial Balance and to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H).
- 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 costs.
- We compared the employee job description, organizational chart and salary and benefit costs on Wage Results History Detail By Employee report to the General Ledger and from the General Ledger to the Trial Balance and 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 reclassifications between schedules exceeding \$500.
- 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 7223 Maumee-Western Road facility from the Lucas County Auditor's Property records and Square Footage Summary to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year. There were variances in square footage exceeding 10 percent as reported in the Appendix.

We also compared the square footage, type and year of construction for two recent removals from the DODD Bed Change Approval letters to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. We found no difference in the year, type or any square footage variances.

Property (Continued)

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 was a variance in one renovation which resulted in decreased costs as reported in the Appendix.
3. We compared equipment depreciation and lease costs from the Asset Depreciation report, Trial Balance and Allocation of Home Office Expense worksheet to *Schedule D, Capital Cost Center* and to the Cost Report Instructions. There were no variances.

We scanned the Asset Depreciation report and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

4. We selected one capital asset each from account 8040 and 8050 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 found a variance resulting in decreased costs as reported 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 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

February 21, 2024

Appendix

**Sunshine Inc. Residential and Support Services dba Sunshine Children's Home
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
5. Medical Minor Equip. - Medicare non-billable - 6006 - Other/Contract Wages (2)	\$ 2,405	\$ 3,768	\$ 6,173	To reclassify splints and headgear as minor medical equipment
Schedule C Indirect Care Costs				
19. Habilitation Supplies - 7100 - Other/Contract Wages (2)	\$ 8,545	\$ (3,768)	\$ 4,777	To reclassify splints and headgear as minor medical equipment
Schedule D Capital Cost Center				
5. Depreciation - Transportation Equipment - Total (3)	\$ 28,355	\$ (62)	\$ 28,293	To remove depreciation taken during month of acquisition
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Initial Square Footage	83,844	(9,519)	74,325	To correct initial square footage
Fair Rental Value Log 2: Renovations Projects Log				
49. new generator for entire building Renovations/Improvements	\$ 163,829	\$ (13,370)	\$ 150,459	To remove unsupported renovation costs

OHIO AUDITOR OF STATE KEITH FABER



SUNSHINE INC. RESIDENTIAL AND SUPPORT SERVICES DBA SUNSHINE CHILDREN'S HOME

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 3/21/2024

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