



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 ViaQuest Healthcare Central, LLC dba VHC - Woodside'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 Daily Census worksheets for each month of CY 2022. There were no computational errors. We compared the total of inpatient and leave days from the census worksheets to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected one resident from the Daily Census worksheets and included residents with leave days in the selection. We obtained the medical records for the selected individual 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 obtained the remaining Census worksheets for each month in CY 2022 and found the resident did not have 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 equal to net Medicaid reimbursed days.

## Revenue

1. We agreed the revenue on the Detailed General Ledger - Standard report 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 Detail General Ledger - Standard report 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 unrecorded offsets not in accordance with CMS Publication 15-1 § 804 and reported the offsets in the Appendix.

## 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.
2. We scanned the Detailed General Ledger – Standard 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.

We selected 30 non-payroll expenses from *Schedules B-1, B-2 and C* (including a minimum of two contract personnel/position vouchers) and 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 and 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 non-federal reimbursable costs as reported in the Appendix. For these errors, we scanned the Detailed General Ledger for other like errors in the same cost center. We found no additional similar errors or misclassifications.
- 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. For these errors, we scanned the Detailed General Ledger for other like errors in the same cost center. We found additional similar errors and totaled all identified errors as reported in the Appendix.
- 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 costs that did not benefit the ICF-IID as reported in the Appendix. For these errors, we scanned the Detailed General Ledger for other like errors in the same cost center. We found additional similar errors and totaled all identified errors as reported in the Appendix.

### Non-Payroll Expenses (Continued)

- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 to confirm if the expense was not a capital asset. We found a capital asset expense and reported variances to remove the expense and include depreciable costs as reported in the Appendix.
  - We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found variances resulting in decreased costs as described in the procedure below.
3. We compared the methodology used for consulting and management services provided by the ICF-IID's Home Office and associated costs reported on *Schedules B-2* and *C* to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150.

The ICF-IID used a revenue methodology in lieu of the Home Office total cost methodology required by CMS Publication 15-1, § 2150.3(D)(2) for unlike facilities. Therefore, we requested that the ICF-IID recalculate its consulting and management fees using the total cost methodology. We received the ICF-IID's Allocation of Cost Summary and compared it to the Home Office and Woodside Combined Income Statements provided. We found no differences; however, the Allocation of Cost Summary calculation resulted in decreased costs as reported on the Appendix.

### Payroll

1. We compared all salary and fringe benefits on the payroll disbursement journal 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 Ledger and Administrator Salary Support to *Schedule C-1, Administrator's Compensation*. There were no variances resulting in decreased costs.

2. We obtained the Payroll Ledger and selected five employees reported on *Schedules B-1, B-2, C* and the one employee reported on *Schedule 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 salaries and benefit costs from the Payroll Ledger to the Trial Balance and from the Trial Balance to 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 the Payroll Ledger to the Trial Balance and the Trial Balance 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 ICF-IID facility at 2243 Cambrian Way from the Lake County Auditor's Property records 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 square footage and year of construction of the secondary building facilities at 525 Metro PL North and 1954 Hubbard Road from the Franklin County and Lake County Auditor's Property records to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. There were no variances in year of construction or decreases in total square footage exceeding 10%.

We also compared the utilization percentage for two secondary buildings from the ICF Secondary Building Summary to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1 §§ 2150 and 2302.4. We found no differences for one secondary building. Moreover, another secondary home office building had a utilization percentage based on a revenue and inpatient day methodology in lieu of a total cost and inpatient day methodologies required by CMS Publication 15-1 § 2150. We recalculated the utilization percentage based on the total cost and inpatient day methodology. There was a difference resulting in a decreased utilization percentage as reported in the Appendix.

3. We compared equipment depreciation from the Depreciation Expense Report and Trial Balance to *Schedule D, Capital Cost Center*, and the Cost Report Instructions. There were no variances.
4. We scanned the Depreciation Expense Report and the Detailed General Ledger – Standard report to identify any reported loss on *Schedule D* in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

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

March 19, 2024

**Appendix**  
**ViaQuest Healthcare Central, LLC dba VHC - Woodside**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule B-2 Direct Care Costs Center</b>				
21. Consulting and Management Fees - Direct Care - 6210 - Other/Contract Wages (2)	\$ 12,092	\$ (684)	\$ 11,408	To reduce management/ consulting fees based on allowable home office cost methodology in lieu of using revenue methodology
39. Workers' Compensation - Direct Care 6520 - Adjustments Increases/(Decreases) (4)	\$ -	\$ (976)	\$ (976)	To record BWC rebate offset
40. Employee Fringe Benefits - Direct Care - 6530 - Other/Contract Wages (2)	\$ 40,186	\$ (3,769)	\$ 36,417	To reclassify sports tickets
<b>Schedule C Indirect Care Cost Center</b>				
28. Consulting and Management Fees - Indirect - 7215 - Other/Contract Wages (2)	\$ 53,309	\$ (2,915)		To reduce management/ consulting fees based on allowable home office cost methodology in lieu of using revenue methodology
		\$ (400)	\$ 49,994	To reclassify promotional marketing costs
53. Minor Equipment - 7350 - Other/Contract Wages (2)	\$ 809	\$ (809)	\$ -	To reclassify washing machine as Capital Asset and record depreciation
57. Workers' Compensation - Indirect Care - 7510 - Adjustments Increases/(Decreases) (4)	\$ -	\$ (94)		To record BWC rebate offset
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 1,810	\$ 3,769		To reclassify sports tickets as non- reimbursable costs
		\$ 400	\$ 5,979	To reclassify promotional marketing costs to non- reimbursable
<b>Schedule D Capital Cost Center</b>				
4. Depreciation - Equipment - 8040 -Total (3)	\$ 1,126	\$ 84	\$ 1,210	To reclassify washing machine as Capital Asset and record depreciation
<b>Attachment 2, Adjustment to Trial Balance</b>				
1. BWC Rebate, Revenue Chart of Account (1)		5400	5400	To record BWC rebate offset
1. BWC Rebate, Other Increase (Decrease) (3)	\$ -	\$ (976)	\$ (976)	To record BWC rebate offset
1. BWC Rebate, Expense Chart of Account (5)		6520	6520	To record BWC rebate offset

**Appendix**  
**ViaQuest Healthcare Central, LLC dba VHC - Woodside**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Attachment 2, Adjustment to Trial Balance, Continued</b>				
2. BWC Rebate, Revenue Chart of Account (1)		5400	5400	To record BWC rebate offset
2. BWC Rebate, Other Increase (Decrease) (3)	\$ -	\$ (94)	\$ (94)	To record BWC rebate offset
2. BWC Rebate, Expense Chart of Account (5)		7510	7510	To record BWC rebate offset
<b>Attachment 9, Fair Rental Value Survey</b>				
<b>Fair Rental Value Log 3: Secondary Buildings</b>				
1. Home Office/Record Storage - Utilization/Allocation Percentage	0.57	(0.062)	0.508	To correct utilization/allocation percentage using cost and inpatient day methodology



# OHIO AUDITOR OF STATE KEITH FABER



**VIAQUEST HEALTHCARE CENTRAL LLC, DBA VHC - WOODSIDE**

**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 4/16/2024**

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](http://www.ohioauditor.gov)