



Dave Yost • Auditor of State



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Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Developmental Disabilities
30 East Broad Street
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Developmental Disabilities (DODD), on the Income and Expenditure Report of the Lake County Board of Developmental Disabilities (County Board) for the years ended December 31, 2015 and 2016 (Cost Reports). The County Board's management is responsible for preparing these reports. The sufficiency of these procedures is solely the responsibility of DODD. 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.

Statistics – Square Footage

1. We compared program costs and statistics to reported square footage and found no differences.
2. We compared the 2015 and 2016 square footage to the most recently reviewed totals and found program areas that changed by more than 10 percent and performed procedures 3 and 4 on those program areas.
3. We compared the square footage for each room on the floor plans of the Willoughby building in 2015 and the Broadmoor building in 2016 to the County Board's summaries. We found no variances and that square footage was allocated in accordance with DODD's Guide to Preparing Income and Expenditure Report for 2015 and 2016 (Cost Report Guides).
4. We compared the County Board's summaries to the square footage on the Cost Reports. We found no variances.
5. We reviewed reclassifications identified in the payroll testing procedures and confirmed they did not result in additional square footage variances.

Statistics – Attendance

1. We reviewed the Cost Reports and found no individuals served or units of service were omitted resulting in unallocated program or general expenses-all program costs.
2. We compared the number of individuals served, days of attendance and 15 minute units on the County Board's Day Service Attendance Summary by Consumer, Location, Acuity and Month and Services Provided Detail reports to the Cost Reports and to the Cost Report Guides. We found variances exceeding two percent of attendance statistics as reported in Appendix A (2015) and Appendix B (2016). We also footed the County Board's attendance reports for accuracy and found no computational errors.
3. We traced total attendance days for one Enclave and four Adult Day Service individuals for two months in 2015 and 2016 from the County Board's monthly attendance documentation and the Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the Cost Reports. We found no variances in 2015. We found variances as reported in Appendix B (2016).

Statistics – Attendance (Continued)

We compared the differences to the Medicaid Billing System (MBS) and determined the County Board was incorrectly reimbursed in 2016 (see the Paid Claims section for the recoverable finding for one unit, procedure code AXD).

We also compared the acuity level on the Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the DODD Acuity Assessment Instrument Ratio Listing or Acuity Assessment Instrument for each individual and ensured at least two individuals from each acuity level were selected. We found no variances in 2015. We found variances as reported in Appendix B (2016). We compared the differences to the MBS data and found no overpayment.

4. We selected 15 Community Employment units for both 2015 and 2016 from the Services Provided Detail reports and compared the calculation of units to the Cost Report Guides and the service documentation to the requirements of Ohio Admin. Code § 5123:2-9-15. We found no variances or instances of non-compliance.

Statistics – Transportation

1. We compared the number of one-way trips from the County Board's YTD Total Broadmoor Bus Trips, VGC and Willoughby Bus Trips and CES Van Trips by Enclave & Community reports to the Cost Reports. We found no variances. We also footed the County Board's transportation reports for accuracy and found no computational errors.
2. We traced the number of trips for nine adults and one child for March 2015 and September 2016 from the County Board's daily reporting documentation to the County Board's Total Broadmoor Bus Trips, VGC and Willoughby Bus Trips and CES Van Trips by Enclave & Community reports and to the Cost Reports. We found no variances.
3. We compared the cost of bus tokens/cabs from the County Board's Laketrans, Title XX Laketrans and Enclave and Community Employment reports to the Cost Reports. We found no variances.

Statistics – Service and Support Administration (SSA)

1. We compared the number of Targeted Case Management (TCM), Other SSA Allowable, Home Choice and SSA Unallowable units from the County Board's Receivable Billing Reimbursable Summary by Consumer, Service and Date and Services Provided Detail reports to the Cost Reports. We found variances as reported in Appendix A (2015) and Appendix B (2016). We also footed the County Board's SSA reports for accuracy and found no computational errors.
2. We selected 60 Other SSA Allowable units for both 2015 and 2016 from the Receivable Billing Reimbursable Summary by Consumer, Service and Date reports and compared the case note documentation to the activities listed in Ohio Admin. Code § 5160-48-01(D) and the elements required by Ohio Admin. Code § 5160-48-01(F). We found no variances exceeding 10 percent.
3. We selected 30 SSA Unallowable units for both 2015 and 2016 from the Services Provided Detail reports and compared the case note documentation to the activities listed in Ohio Admin. Code § 5160-48-01(D) and the elements required by Ohio Admin. Code § 5160-48-01(F). We found no variances in 2015 exceeding 10 percent. The variances in 2016 were greater than 25 percent and we selected an additional sample of 30 SSA Unallowable units. The combined error rate exceeded 25 percent and we projected and then reclassified 156 units to Other SSA Allowable and removed 141 units for general time activities. We reported these variances in Appendix B.

Statistics – Service and Support Administration (Continued)

4. We confirmed that the County Board did not maintain case note documentation for non-individual specific activities (general time units) as described in the Cost Report Guides.

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the county auditor's YTD Budget Reports for the Developmental Disabilities (53) fund to the county auditor's report total reported on the reconciliation worksheet/form. We found no variances.

We then compared the total County Board receipts reported on the reconciliation worksheet/form to the county auditor's receipt totals and calculated that the Cost Reports reconciled within acceptable limits.

2. We inspected the County Board's Statement of Revenues and Expenditures reports and found sources of potential revenue offsets/credits where revenues are maintained separately. The County Board did not offset corresponding expenses for the following revenues via the use of specific expenditure costs centers on the Cost Reports in accordance with 2 CFR 200.405 and 2 CFR 200.406:
 - Miscellaneous refunds, reimbursements and other income in the amount of \$101,284 in 2015 and \$87,420 in 2016;
 - IDEA Part B revenues in the amount of \$67,534 in 2015 and \$68,100 in 2016; and
 - IDEA Early Childhood Special Education revenues in the amount of \$15,948 in 2015 and \$15,935 in 2016.

Paid Claims Testing

Recoverable findings are subject to interest collection pursuant to Ohio Rev. Code § 5164.60.

1. We selected 50 paid claims among all service codes (excluding TCM) for both 2015 and 2016 from the MBS data. We compared the County Board's service documentation to the requirements of each respective service code per Ohio Admin. Code § 5123:2-9 in effect at the time of service delivery. We found instances of non-compliance in the following service codes: Adult Day Support – 15 minute unit (ADF); Supported Employment – Enclave – 15 minute unit (ANF/FNF); Vocational Habilitation – 15 minute unit (AVF); Adult Day Support and Vocational Habilitation Combination – 15 minute unit (AXF/FXF); and Non-Medical Transportation – Per Trip (ATB/FTB). We calculated recoverable findings for non-compliance as described in the tables below. We also reported the corresponding unit adjustments in Appendix A (2015) and Appendix B (2016).
2. We selected 50 TCM paid claims per year from the MBS data for 2015 and 2016 and compared the County Board's documentation to the requirements per Ohio Admin. Code § 5160-48-01 in effect at the time of service delivery. We found instances of non-compliance in 2015 as described in the table below. We found no corresponding unit adjustments. We found no instances of non-compliance in 2016.
3. We compared the County Board's usual and customary rate with the reimbursed rate for selected contracted transportation services to confirm if the County Board was reimbursed the lesser of the two as per Ohio Admin. Code § 5123:2-9-06.

Paid Claims Testing (Continued)

We found transportation services in our sample rendered by Laketrans under agreement with the County Board that were billed as per-trip transportation (ATB/FTB) in 2015. We confirmed that the vehicles met the definition of a commercial vehicle and the County Board stated that the transportation services were billed using the wrong procedure codes. Services billed for per-trip transportation should have been billed as commercial transportation (ATT/FTT); however, we noted only one instance in which the County Board was reimbursed more than the contracted rate. We reported recoverable finding for the one error (ATB procedure code) in the table below. We found no instances of contracted transportation services in 2016 or other contracted services in our sample in either year.

Recoverable Finding – 2015

Service Code	Units	Non-TCM Review Results	Finding
ADF	29	Billed incorrect procedure code resulting in overpayment	\$12.48
ANF	83	Units billed in excess of service delivery; billed incorrect procedure code resulting in overpayment	\$50.79
AVF	2	Units billed in excess of service delivery	\$2.07
AXF	126	Billed incorrect procedure code resulting in overpayment	\$49.78
ATB	7	Units billed in excess of service delivery	\$74.72
FTB	6	Units billed in excess of service delivery	\$39.47
FNF	28	Billed incorrect procedure code resulting in overpayment	\$3.72
		TCM Review Results	
TCM	49	Units billed in excess of service delivery	\$473.85
		Contracted Services Results	
ATB	2	Reimbursed rate exceeded contracted rate	\$11.49
		Total	\$718.37

Recoverable Finding – 2016

Service Code	Units	Non-TCM Review Results	Finding
ANF	49	Units billed in excess of service delivery; billed incorrect procedure code resulting in overpayment	\$22.82
ATB	2	Units billed in excess of service delivery	\$39.40
AXF	32	Units billed in excess of service delivery; billed incorrect procedure code resulting in overpayment	\$7.26
FXF	30	Billed incorrect procedure code resulting in overpayment	\$5.19
		Attendance Statistics Results	
AXD	1	Consumer was not present on date of service	\$46.70
		Total	\$121.37

- We did not perform the procedure to compare new contracts to the guidance for non-medical transportation services issued by DODD on May 15, 2015 as the County Board did not have any new commercial transportation contracts after April 15, 2015 or any renewed transportation contracts after December 31, 2015.

Paid Claims Testing (Continued)

5. We compared the reimbursed TCM and Community Employment units from the MBS data to the final units and found total net Medicaid reimbursed units were less than final reported units.
6. We compared the amounts reported on *Summary of Service Costs - By Program* for categories from Environmental Accessibility Adaptations to Other Waiver Services to the MBS data. We found total net reimbursements did not exceed disbursements by two percent.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the county auditor's report listed on the reconciliation worksheet/form to the county auditor's YTD Budget Reports for the Developmental Disabilities (53) fund. We found no variances.

We then compared the total County Board disbursements reported on the reconciliation worksheet/form to the county auditor's disbursement totals and calculated that the Cost Reports reconciled within acceptable limits.

2. We compared the County Board's Department Expense to the Cost Reports for all service contract and other expenses entries. We found variances exceeding \$500 that resulted in reclassification to a program or worksheet/form as reported in Appendix A (2015). We found no variances in 2016.
3. We scanned the County Board's Transaction Detail reports and selected 60 disbursements from service contracts and other expenses. We inspected supporting documentation maintained by the County Board and compared the cost classification to the Cost Report Guides and 2 CFR 200. We found variances greater than two percent of total service contracts and other expenses on a worksheet/form as reported in Appendix A (2015) and Appendix B (2016).
4. We scanned the Transaction Detail reports for contracted transportation, service and support administration and adult services and verified, for any contracted services found, that corresponding statistics were included in the Cost Reports as required by 2 CFR 200.405 and the Cost Report Guides. We found no program costs that lacked corresponding statistics.
5. We inspected the County Board's Transaction Detail reports for items purchased during 2015 and 2016 that met the County Board's capitalization criteria and traced any items identified to the County Board's Depreciation Expense Reports. We found no unrecorded capital purchases.
6. We found that the County Board had supporting documentation for February, April, July, and December in 2015 and March, May, August, and November in 2016 showing that it reconciled its income and expenditures on a monthly basis with the county auditor in accordance with Ohio Admin. Code § 5123:2-1-02(L)(1).
7. We confirmed that corresponding costs were reported for each adult program with final attendance statistics and that there was no adult program cost without final attendance statistics.

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board's Depreciation Expense Reports to the Cost Reports. We found no variances exceeding \$500.

Property, Depreciation, and Asset Verification Testing (Continued)

2. We compared the County Board's 2014 Depreciation and Loss Report to its 2015 and 2016 Depreciation Expense Reports for changes in the depreciation amounts for assets purchased prior to the period under review, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition. We found no variances.
3. Using the County Board's capitalization threshold, we selected the lesser of 10 or 10 percent of the fixed assets which were being depreciated for the first time in each 2015 and 2016. We computed the first year's depreciation for the three assets selected, based on their cost, acquisition date and useful life. We compared reported depreciation to the Cost Report Guides and the estimated useful lives prescribed in the 2013 American Hospital Association Asset Guide. We found no variances.
4. We selected the lesser of 10 percent or 10 disposed assets from the County Board's Disposal Reports and confirmed the three assets were not removed from the Depreciation Expense Reports. We removed losses as reported in Appendix A (2015) and Appendix B (2016).

Payroll Testing

1. We compared total salaries and benefits on the Cost Reports to the payroll disbursements yearly totals on the county auditor's YTD Budget Reports for the Developmental Disabilities (53) fund. We found no variances greater than two percent.
2. We compared the salaries and benefit costs on the County Board's Department Expense to Cost Reports to the Cost Reports. We found variances as reported in Appendix A (2015). We found no variances in 2016.
3. We selected the lesser or 40 employees or 25 percent of the number of total employees in 2015 and 2016. For the 40 employees selected each year, we compared the County Board's organizational chart, Pay Detail reports and job descriptions to the worksheet/form in which each employee's salary and benefit costs were allocated. We found the employee allocations were consistent with the Cost Report Guides and no additional procedures were performed.

Medicaid Administrative Claiming (MAC)

1. We compared MAC salaries and benefits on the Individual Costs by Code reports to the County Board's Department Expense to Cost Reports and found the County Board salary and benefit costs equaled MAC salary and benefit costs.
2. We compared the Individual Costs by Code reports to the Medicaid Administration worksheet/form for both years. We found variances as reported in Appendix A (2015). We found no variances in 2016.
3. We selected 12 non-validated RMTS observed moments for the third quarter of 2015 and 12 for the second quarter of 2016 from the RMTS Participant Moments Question and Answer report. We inspected the County Board's documentation and compared the contents and classification to the DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2014. We found that the observed moments and documentation met the minimum requirements, but did not include additional supporting documentation as preferred by the RMTS Guide.

Lake County Board of Developmental Disabilities
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the County Board's Cost Reports. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report is intended solely for the use of the County Board and the DODD, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 22, 2018

Appendix A
Lake County Board of Developmental Disabilities
2015 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section B				
10. A (D) Supported Emp. - Enclave	10,954	(940)	10,014	To match attendance report
Schedule B-3				
5. Facility Based Services (G) One Way Trips- Fourth Quarter	14,276	(8)	14,268	To remove trips due to paid claim errors
6. Supported Emp. - Enclave (G) One Way Trips- Fourth Quarter	2,362	(1)	2,361	To remove trips due to paid claim error
Schedule B-4				
5. SSA Unallowable Units (D) 4th Quarter	169	164	333	To match SSA report
Worksheet 1				
3. Buildings/Improve (K) Co. Board Operated ICF/MR	\$ 112,682	\$ (4,612)	\$ 108,070	To remove loss on disposal
5. Movable Equipment (V) Admin	\$ 51,824	\$ (1,292)	\$ 50,532	To remove loss on disposal
Worksheet 2				
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 791,505	\$ (25,479)	\$ 766,026	To match payroll report
Worksheet 3				
3. Service Contracts (D) Unasgn Children Program	\$ 59,813	\$ (711)	\$ 59,102	To match expense report
4. Other Expenses (D) Unasgn Children Program	\$ 52,120	\$ (620)	\$ 51,500	To match expense report
4. Other Expenses (O) Non-Federal Reimbursable	\$ 38,811	\$ 1,330	\$ 40,141	To match expense report
Worksheet 5				
3. Service Contracts (L) Community Residential	\$ 52,364	\$ (47,264)	\$ 5,100	To reclassify developmental center fees
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ 663,704	\$ 18,082	\$ 681,786	To match MAC report
1. Salaries (O) Non-Federal Reimbursable	\$ 271,524	\$ 7,397	\$ 278,921	To match MAC report
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Developmental Center Fees	\$ -	\$ 47,264	\$ 47,264	To reclassify developmental center fees

Appendix B
Lake County Board of Developmental Disabilities
2016 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Attendance Statistics				
Total Unduplicated Individuals Served Acuity				
A, Facility Based Services (Title XX Only)	5	1		To correct individuals served
		1	7	To correct individuals served
A-1, Supported Emp. - Enclave (Non-Title XX Only)	2	(1)	1	To match attendance report
A-1, Facility Based Services (Title XX Only)	10	(1)		To correct individuals served
		(1)	8	To correct individuals served
Total Days of Attendance by Acuity				
A, Facility Based Services (Non-Title XX Only)	34,041	(1)	34,040	To correct day of attendance
A, Supported Emp. - Enclave (Non-Title XX Only)	12,611	(1,371)		To match attendance report
		(1)	11,239	To correct day of attendance
A, Facility Based Services (Title XX Only)	1,002	164		To correct days of attendance
		229	1,395	To correct days of attendance
A-1, Supported Emp. - Enclave (Non-Title XX Only)	185	(77)	108	To match attendance report
A-1, Facility Based Services (Title XX Only)	2,028	(164)		To correct days of attendance
		(229)	1,635	To correct days of attendance
Annual Summary of Transportation Services				
Non-Title XX-Adult				
Facility Based Services, CB One Way Trips	64,749	(2)	64,747	To remove trips due to paid claim error
Annual Summary of Units of Service - Service and Support Administration				
Other SSA Allowable Units, CB Activity	1,371	156	1,527	To reclassify projected allowable units
SSA Unallowable Units, CB Activity	815	123		To match SSA report
		(141)		To remove projected general time units
		(156)	641	To reclassify projected allowable units
Capital Costs				
Moveable Equipment, Co. Board Operated ICF/IID	\$ 39,910	\$ (995)	\$ 38,915	To remove loss on disposal
Building Services Cost				
Service Contracts, Facility Based Services	\$ 216,152	\$ (8,429)	\$ 207,723	To reclassify adult service expenses
Direct Services				
Service Contracts, Community Residential	\$ 58,154	\$ (50,661)	\$ 7,493	To reclassify developmental center fees
Adult Program				
Service Contracts, Facility Based Services	\$ 74,725	\$ 8,429	\$ 83,154	To reclassify adult service expenses
CBCR Reconcile				
CBCR Reconcile Expenses				
Other: Developmental Center Fees	\$ -	\$ 50,661	\$ 50,661	To reclassify developmental center fees

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LAKE COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

LAKE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2018**