



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## Independent Accountants' Report on Applying Agreed-Up Procedures

Ohio Department of Medicaid  
50 West Town Street, Suite 400  
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA), on the Aging Administered Waiver Annual Cost Report (Cost Report) for the Area Agency on Aging, Region 9, Inc., a PASSPORT Administrative Agency (hereafter referred to as the PAA), for the period July 1, 2018 through June 30, 2019. The PAA's management is responsible for preparing the Cost Report. The sufficiency of these procedures is solely the responsibility of ODM and ODA. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, the PAA provided all of the documents used in the procedures.

### **Revenue**

1. We compared the revenue on *Final Page A* to the Detailed General Ledger - Standard Report and the 2018 Cost Report. There were no variances.
2. We agreed the Invoices and Credit Memos for All Customers reports and the Received Payments and Refunds for All Customers reports to the Client Liability Summary and then agreed the Summary and the 2018 Cost Report to *Final Page C*. We found no variances.

### **Square Footage**

1. We did not test square footage as the PAA did not use this allocation method.

### **Trial Balance and Non-Payroll Expenses**

1. We compared the disbursements on the Detailed General Ledger - Standard reports to the Cost Report worksheets and the worksheets to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances.

We also compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail*. The variance was below one half percent of total PIMS costs and an explanation was not reported per the ODA Cost Report memo dated December 31, 2019.

**Trial Balance and Non-Payroll Expenses, Continued:**

2. We selected 60 disbursements from any cost report accounts on *Worksheet 1* exceeding 10 percent of total non-payroll costs on each waiver worksheet. We compared supporting documentation and classification of the disbursements to the Cost Report Instructions, 2 CFR part 200, and the PAA's Cost Allocation Plan. We then totaled any identified variances by Cost Report account. We reported the aggregated variances exceeding \$1,000, by waiver specific worksheet, in the Appendix. For errors identified, we scanned the corresponding voucher and found additional similar variances as reported in the Appendix.
3. We compared the allocation methodologies applied on *Worksheet 1* to the approved methodologies in the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no differences.

**Payroll**

1. We compared the salaries and benefits on the Detailed General Ledger - Standard reports to the Cost Report worksheets and the worksheets to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances.
2. We selected 10 employees and compared the hours and allocated salaries and benefit costs on the Payroll Distribution report to the organization chart and the Detailed General Ledger - Standard reports. We then compared the ledger to the Cost Report worksheets and the worksheets to *Worksheet 1*. We also compared the reported salaries and benefits to the Cost Reports Instructions and 2 CFR part 200 to confirm costs were properly allocated, classified and allowable. There were no variances.

**Property**

1. We compared the capital costs on the Depreciation Schedule to the Detailed General Ledger - Standard reports and the Ledger to *Worksheet 1*. There were no variances.
2. We compared the final fiscal year (FY) 2019 Depreciation Schedule to the FY 2018 Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to the cost report period, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years or depreciation which was not in compliance with the Cost Report Instructions. There were no variances.
3. We selected one fixed asset which met the PAA's capitalization threshold and was depreciated in the first year in FY 2019. We recalculated the first year's depreciation for one asset selected based on the Cost Report Instructions and useful life prescribed in the 2018 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. There was no variance.
4. We selected six disposed assets from FY 2019 from the Disposal List and determined if the disposed assets were removed from the Depreciation Schedule. The six disposed assets were removed and there were no reported gains or losses on *Worksheet 1*.
5. We scanned the Detailed General Ledger - Standard reports for items purchased during the FY 2019 that met the capitalization criteria. There were no unrecorded capital assets.

### **Contract Monitoring**

1. We obtained the PAA's written procedures and supporting documentation for all provider oversight processes during the cost report period. We selected providers for each type of provider oversight, including five pre-certification reviews, five structural compliance reviews and five reviews of sanctioned providers and determined if the PAA maintained supporting documentation showing it performed oversight processes in accordance with Section II (A)(3)(d)(ii) in the Three Party Agreement and its written procedure requirements. There were no differences.

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 Aging Administered Waiver Annual Cost Report. 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 for the use of the ODM and the ODA to assist in evaluating revenues and expenditures recorded in the Cost Report for the year ended June 30, 2019 and certain compliance requirements related to these transactions and is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 13, 2020

**SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)**

**PROGRAM** PASSPORT

COST REPORT										
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
2	1	7	Supplies	Assessment	Misclassification	Cost Report Instructions	\$15,060	(\$187)		
4	1	7	Supplies	Assessment	Misclassification	Cost Report Instructions		(\$11)	<b>\$14,862</b>	
1	1	7	Supplies	Case Management	Misclassification	Cost Report Instructions	\$57,867	(\$2,522)		
2	1	7	Supplies	Case Management	Misclassification	Cost Report Instructions		(\$416)		
4	1	7	Supplies	Case Management	Misclassification	Cost Report Instructions		(\$157)	<b>\$54,772</b>	
1	1	7	Supplies	General Administration	Misclassification	Cost Report Instructions	\$30,703	(\$312)		
2	1	7	Supplies	General Administration	Misclassification	Cost Report Instructions		(\$726)		
4	1	7	Supplies	General Administration	Misclassification	Cost Report Instructions		(\$17)		
4	1	7	Supplies	General Administration	Misclassification	Cost Report Instructions		(\$644)	<b>\$29,004</b>	
2	1	7	Supplies	Provider Relations	Misclassification	Cost Report Instructions	\$7,064	(\$183)		
3	1	7	Supplies	Provider Relations	Misclassification	Cost Report Instructions		(\$1,370)		
4	1	7	Supplies	Provider Relations	Misclassification	Cost Report Instructions		(\$649)	<b>\$4,862</b>	
2	1	7	Supplies	Screening	Misclassification	Cost Report Instructions	\$6,409	(\$177)		
2	1	7	Supplies	Screening	Misclassification	Cost Report Instructions		(\$74)		
4	1	7	Supplies	Screening	Misclassification	Cost Report Instructions		(\$126)		
4	1	7	Supplies	Screening	Misclassification	Cost Report Instructions		(\$41)	<b>\$5,991</b>	
2	1	11	Other	Assessment	Misclassification	Cost Report Instructions	\$14,931	\$187		
4	1	11	Other	Assessment	Misclassification	Cost Report Instructions		\$11	<b>\$15,129</b>	
1	1	11	Other	Case Management	Misclassification	Cost Report Instructions	\$88,682	\$2,522		
2	1	11	Other	Case Management	Misclassification	Cost Report Instructions		\$416		
4	1	11	Other	Case Management	Misclassification	Cost Report Instructions		\$157	<b>\$91,777</b>	
1	1	11	Other	General Administration	Misclassification	Cost Report Instructions	\$28,403	\$312		
2	1	11	Other	General Administration	Misclassification	Cost Report Instructions		\$726		
4	1	11	Other	General Administration	Misclassification	Cost Report Instructions		\$17		
4	1	11	Other	General Administration	Misclassification	Cost Report Instructions		\$644	<b>\$30,102</b>	
2	1	11	Other	Provider Relations	Misclassification	Cost Report Instructions	\$8,475	\$183		
3	1	11	Other	Provider Relations	Misclassification	Cost Report Instructions		\$1,370		
4	1	11	Other	Provider Relations	Misclassification	Cost Report Instructions		\$649	<b>\$10,677</b>	
2	1	11	Other	Screening	Misclassification	Cost Report Instructions	\$4,709	\$177		
2	1	11	Other	Screening	Misclassification	Cost Report Instructions		\$74		
4	1	11	Other	Screening	Misclassification	Cost Report Instructions		\$126		
4	1	11	Other	Screening	Misclassification	Cost Report Instructions		\$41	<b>\$5,127</b>	
<b>Total Effect on Cost Report</b>								<b>\$0</b>		

# OHIO AUDITOR OF STATE KEITH FABER



**AREA AGENCY ON AGING REGION 9**

**GUERNSEY 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 12/1/2020**

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