



OHIO AUDITOR OF STATE
KEITH FABER



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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 Direction Home of Eastern Ohio, 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 the General Ledger Detail Reports to the State Year Worksheet and the worksheet and 2018 Cost Report to *Final Page A*. There were no variances.
2. We agreed the Monthly Statement of Client Liability report to the State Year Worksheet and the worksheet and the 2018 Cost Report to *Final Page C*. There were no variances.

Square Footage

1. We compared the Square Footage Summary to the cost allocation on the General Ledger Detail Reports and State Year Worksheet. There were no variances.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the General Ledger Detail Reports to the State Year Worksheet and the worksheet to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances exceeding \$1,000 or resulting in decreased costs.

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

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 resulting in decreased costs, 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.

Trial Balance and Non-Payroll Expenses, Continued:

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 disbursements on the General Ledger Detail Reports to the State Year Worksheet and the worksheet to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances.
2. We selected 10 employees and compared the hours and cost categories on the Employee Time Logs and Monthly Time Study report to the organizational chart and Monthly Time Study Allocation report. We then traced the Allocation report to the General Ledger Detail Reports and Ledger to the State Year Worksheet and the worksheet to the Cost Report. We then 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 greater than \$1,000 or resulting in decreased costs.

Property

1. We traced the capital costs on *Worksheet 1* to the Depreciation Schedule and the State Year Worksheet. 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 being depreciated in the first year in FY 2019. We recalculated the first year's depreciation for the 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 were no variances exceeding \$1,000 or resulting in decreased costs.
4. We selected one disposed asset from FY 2019 from the Disposal List and determined if the disposed asset was included on the Depreciation Schedule. We confirmed the disposed asset was not removed from the Depreciation Schedule; however, no depreciation for the asset was reported on the Cost Report. There were no reported gains or losses on *Worksheet 1*.
5. We scanned the General Ledger Detail Reports for items purchased during FY 2019 that met the capitalization criteria and traced them to the Depreciation Schedule. We found one capital asset which was not reported on the Depreciation Schedule and this variance exceeded \$1,000 as reported in the Appendix.

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 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 10, 2020

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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
8	1	5	Equipment <\$5,000	Assessment	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 43,222	\$ (80)	\$ 43,142
8	1	5	Equipment <\$5,000	Case Management	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 47,842	\$ (82)	\$ 47,760
8	1	5	Equipment <\$5,000	General Administration	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 33,989	\$ (93)	\$ 33,896
8	1	5	Equipment <\$5,000	Screening	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 31,106	\$ (36)	
8	1	5	Equipment <\$5,000	Screening	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)		\$ (15)	\$ 31,055
1	1	8	Building Services	Assessment	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 30,797	\$ (414)	
1	1	8	Building Services	Assessment	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (847)	\$ 29,536
1	1	8	Building Services	Case Management	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 30,194	\$ (624)	
1	1	8	Building Services	Case Management	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (750)	\$ 28,820
1	1	8	Building Services	General Administration	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 21,018	\$ (821)	\$ 20,197
1	1	8	Building Services	Provider Relations	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 6,348	\$ (248)	\$ 6,100
1	1	8	Building Services	Screening	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 9,883	\$ (125)	\$ 9,758

PROGRAM Assisted Living

COST REPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
4	1	4	Travel & Training	Case Management	Non-federal reimbursable mileage without adequate support	2 CFR 200.403 (G)	\$ 42,780	\$ (19)	\$ 42,761
6	1	5	Equipment <\$5,000	Assessment	Misclassification of capital asset	Cost Report Instructions	\$ 1,323	\$ (93)	
5	1	5	Equipment <\$5,000	Assessment	Non-federal reimbursable printer with no support	2 CFR 200.403 (G)		\$ (40)	
8	1	5	Equipment <\$5,000	Assessment	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)		\$ (2)	\$ 1,188
6	1	5	Equipment <\$5,000	Case Management	Misclassification of Capital Asset	Cost Report Instructions	\$ 14,624	\$ (1,034)	\$ 13,590
8	1	5	Equipment <\$5,000	Case Management	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 14,624	\$ (19)	\$ 14,605
6	1	5	Equipment <\$5,000	General Administration	Misclassification of Capital Asset	Cost Report Instructions	\$ 2,470	\$ (195)	\$ 2,275
8	1	5	Equipment <\$5,000	General Administration	Non-federal reimbursable credit card transactions with no support	2 CFR 200.403 (G)	\$ 2,470	\$ (6)	\$ 2,464
6	1	5	Equipment <\$5,000	Provider Relations	Misclassification of Capital Asset	Cost Report Instructions	\$ 1,616	\$ (127)	\$ 1,489
1	1	8	Building Services	Assessment	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 1,468	\$ (2)	
1	1	8	Building Services	Assessment	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (54)	\$ 1,412
1	1	8	Building Services	Case Management	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 7,403	\$ (140)	
1	1	8	Building Services	Case Management	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (162)	\$ 7,101
1	1	8	Building Services	General Administration	Remove Non-Federal Reimbursable Costs for phone charges due to lack of supporting documentation	2 CFR 200.403 (G)	\$ 1,388	\$ (5)	
1	1	8	Building Services	General Administration	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (33)	\$ 1,350
1	1	8	Building Services	Provider Relations	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)	\$ 909	\$ (3)	
1	1	8	Building Services	Provider Relations	Non-federal reimbursable phone charges without adequate support	2 CFR 200.403 (G)		\$ (21)	\$ 885
7	1	10	Capital Cost	Assessment	Misclassification of capital asset	Cost Report Instructions	\$ 416	\$ 2	\$ 418
7	1	10	Capital Cost	Case Management	Misclassification of capital asset	Cost Report Instructions	\$ 1,745	\$ 23	\$ 1,768
7	1	10	Capital Cost	General Administration	Misclassification of capital asset	Cost Report Instructions	\$ 837	\$ 4	\$ 841
7	1	10	Capital Cost	Provider Relations	Misclassification of capital asset	Cost Report Instructions	\$ 548	\$ 3	\$ 551
Total Effect on Cost Report								\$ (6,058)	

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DIRECTION HOME OF EASTERN OHIO

MAHONING 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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