



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
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We have performed the procedures enumerated below on the Direction Home Akron Canton Area Agency on Aging dba Direction Home Akron Canton Area Agency on Aging & Disabilities' Medicaid Waiver Cost Report (Cost Report) and certain compliance requirements related to contract monitoring for the year ended June 30, 2020 included in the information provided to us by the management of the Direction Home Akron Canton Area Agency on Aging dba Direction Home Akron Canton Area Agency on Aging & Disabilities. The Direction Home Akron Canton Area Agency on Aging dba Direction Home Akron Canton Area Agency on Aging & Disabilities is responsible for completion of the Cost Report and contract monitoring as required by the Agreement between the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA) and the PASSPORT Administrative Agency (PAA).

The ODM and the ODA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Cost Report. 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 this report and may not meet the needs of all users of this 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:

Revenue

1. We compared the Detailed General Ledger - Standard, Trial Balance Combined Totals, PIMS System and Home Choice & CLS YTD Total Units reports and the prior year Cost Report to revenue reported on *Final Page A*. There were no variances exceeding \$1,000.
2. We compared the Liability Billed vs Collected per Month report, Detailed General Ledger - Standard and the prior Cost Report to *Final Page C*. There were no variances.

Square Footage

1. We compared the floor plans to the square footage summary and the summary to the June Rent Allocation worksheet. We compared allocated costs from the worksheet to the Detail General Ledger – Standard and the General Ledger to the Passport and AL Worksheet 1 Details reports and from the Details report to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no cost allocation variances.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements for each waiver from the Detailed General Ledger - Standard to the Passport and AL Worksheet 1 Details reports and from the Details report to *Worksheet 1*. There were no variances.

We compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail*. Total *Worksheet 2* costs exceeded PIMS costs by more than one-half percent. The Cost Report contained no explanation of the variance.

2. We scanned the Detailed General Ledger - Standard and selected 60 disbursements from all cost report accounts exceeding five percent of total non-payroll costs for each waiver worksheet. We compared supporting documentation and classification of the disbursement to the Three Party Agreement, Cost Report Instructions, 2 CFR part 200.400-.475, and the PAA's Cost Allocation Plan.

We totaled identified variances by Cost Report account. We found reclassifications exceeding \$1,000 as reported in the Appendix. For the errors found, we also scanned the corresponding voucher and found additional similar errors or misclassifications as reported in the Appendix.

3. We compared the allocation methodology 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 total salaries and benefits for each waiver from the Detailed General Ledger - Standard to the Passport and AL Worksheet 1 Details report and from the Details report to *Worksheet 1*. There were no variances.
2. We selected 10 employees and compared the hours for each cost center on the October 2019 Summary for Monthly Time Log report to the organizational chart and ADP Download report and the Monthly Salary Allocation Stat Table. We then compared costs allocated on the Stat Table to the Detail General Ledger – Standard and to the Passport and AL Worksheet 1 Details report and from the Details report to *Worksheet 1*. We also compared the reported salaries and benefits to the Cost Report Instructions and 2 CFR part 200.400-.475 to confirm costs were properly allocated, classified and allowable. There were no variances.

Property

1. We compared the capital costs on the Depreciation Expense report to the Passport and AL Worksheet 1 Details report and from the Details report to *Worksheet 1*. There were no differences.
2. We compared the FY 2020 Depreciation Expense report to the FY 2019 Depreciation Expense report for changes in the depreciation amounts for assets purchased prior to FY 2020, 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 10 percent of the fixed assets that met the PAA's capitalization threshold and were being depreciated in the first year in FY 2020. We recalculated the first year's depreciation for the one asset, based on the Cost Report Instructions and useful lives prescribed in the 2018 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. There was no variance.

Property (Continued)

4. We selected 10 percent of the disposed assets from FY 2020 from the Disposal report and confirmed the one disposed asset was removed from the Depreciation Expense report.

There were losses on the Disposal report and on *Worksheet 1*. We removed these losses as reported in the Appendix in accordance with CMS Publication 15-1, section 104.10(E).

5. We scanned the Detail General Ledger – Standard for items purchased during the FY 2020 that met the capitalization criteria and traced them to the Depreciation Expense report. There were no differences.

Contract Monitoring

1. We obtained the PAA's written procedures for provider oversight processes. We selected the five pre-certification reviews, five structural compliance reviews and all three expansion reviews and obtained documentation of all oversight processes performed during FY 2020. We confirmed the documentation for provider oversight process was maintained in accordance with the written procedure requirements and Section III (A)(3)(d)(ii) of the Three Party Agreement, except one pre-certification review did not include documentation of the recommendation to be a provider.

We conducted our engagement in accordance with 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 PAA's Cost Report and compliance with contract monitoring requirements. 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 to you.

We are required to be independent of the PAA 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

October 26, 2021

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM		COST REPORT							
PASSPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustments	Adjusted Costs
6	1	5	Equipment < 5000	Screening	To reclassify IP phones from supplies to Equipment < \$5000.	Cost report Instructions	\$ 15,329.58	\$ 1,575.00	\$ 16,904.58
8	1	6	Equipment Repairs	General Administration	To reclassify subscriptions costs to Other Expenses	Cost report Instructions	\$ 20,915.10	\$ (1,570.34)	\$ 19,344.76
6	1	7	Supplies	Screening	To reclassify IP phones from supplies to Equipment < \$5000.	Cost report Instructions	\$ 11,636.62	\$ (1,575.00)	
10	1	7	Supplies	Screening	To reclassify storage costs from supplies to other expenses	Cost report Instructions		\$ (307.59)	\$ 9,754.03
11	1	7	Supplies	Assessment	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 20,449.67	\$ (55.59)	\$ 20,394.08
12	1	7	Supplies	Case Management	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 45,752.68	\$ (396.94)	\$ 45,355.74
9	1	7	Supplies	General Administration	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 20,433.28	\$ (345.19)	\$ 20,088.09
1	1	10	Capital Costs	Screening	Removing Loss on Disposal	CMS 15-1, Section 104.10.E	\$ 22,682.00	\$ (709.32)	\$ 21,972.68
2	1	10	Capital Costs	Assessment	Removing Loss on Disposal	CMS 15-1, Section 104.10.E	\$ 11,752.87	\$ (344.37)	\$ 11,408.50
3	1	10	Capital Costs	Case Management	Removing Loss on Disposal	CMS 15-1, Section 104.10.E	\$ 37,369.90	\$ (3,119.15)	\$ 34,250.75
4	1	10	Capital Costs	Provider Relations	Removing Loss on Disposal	CMS 15-1, Section 104.10.E	\$ 9,408.08	\$ (61.49)	\$ 9,346.59
5	1	10	Capital Costs	General Administration	Removing Loss on Disposal	CMS 15-1, Section 104.10.E	\$ 45,264.69	\$ (268.81)	\$ 44,995.88
10	1	11	Other	Screening	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 17,348.00	\$ 307.59	\$ 17,655.59
11	1	11	Other	Assessment	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 40,255.14	\$ 55.59	\$ 40,310.73
12	1	11	Other	Case Management	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 72,657.83	\$ 396.94	\$ 73,054.77
9	1	11	Other	General Administration	To reclassify storage costs from supplies to other expenses	Cost report Instructions	\$ 45,036.30	\$ 345.19	
8	1	11	Other	General Administration	To reclassify subscriptions costs to Other Expenses	Cost report Instructions		\$ 1,570.34	\$ 46,951.83

Total Effect on Cost Report

\$ (4,503.14)

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**DIRECTION HOME AKRON CANTON AREA AGENCY ON AGING DBA DIRECTION HOME AKRON
CANTON AREA AGENCY ON AGING & DISABILITIES**

SUMMIT 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 11/30/2021

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