



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

RE: Res-Care Ohio, Inc. DBA Boardwalk/Park Place
Medicaid Number 0118102

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD), on the Medicaid ICF-IID Cost Report of Res-Care Ohio, Inc. DBA Boardwalk/Park Place (hereafter referred to as the Provider) for the period January 1, 2018 through December 31, 2018. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report. The sufficiency of these procedures is solely the responsibility of ODM and DODD. 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, Res-Care Ohio, Inc. provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Census report to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected eight residents' medical records for one month during 2018 and compared the total days of care with the inpatient days on the Census report and *Schedule A-1*. There were no omitted days.

Medicaid Paid Claims

1. We selected paid claims for one month from the Quality Decision Support System (QDSS) for each of the eight residents in the Occupancy and Usage procedure and compared reimbursed days to the days documented on the residents' medical records. There were no unsupported days.

We compared the medical records to the requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123-7-12, 5123:2-3-04, and 5160-1-17.2; and the payment adjustment requirements for resident's admission, discharge or death in Ohio Admin. Code § 5123:2-7-15. There were no differences.

We also compared the medical records and documentation of any bed hold days to the paid claims to identify any unauthorized bed hold days not in compliance with Ohio Admin. Code § 5123:2-7-08. There were no bed hold days in excess of 30 during the calendar year. We also found no waiver respite days not in compliance with Ohio Admin. Code § 5123:2-7-03.

Medicaid Paid Claims (Continued)

2. We compared the number of reimbursed Medicaid days per QDSS with the total Medicaid days reported on *Schedule A-1*. We found reported days exceeded paid days.

Revenue

1. We compared the Cost Group Detail Report with *Attachment 1, Revenue Trial Balance*, the Appendix to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1. There were no differences.
2. We scanned the Detailed General Ledger for any revenue offsets or applicable credits which were not reported 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* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. There were no revenue offsets/applicable credits identified.

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedule B-1, Schedule B-2 and Schedule C* to the Detailed General Ledgers, Cost Group Detail Report and Home Office Allocation reports. The identified variance is reported in the Appendix.
2. We scanned the Detailed General Ledgers and selected 20 non-payroll expenses and five home office expenses from *Schedules B-1; B-2; and C* and compared supporting documentation to Ohio Admin. Code § 5123:2-7-12, the Cost Report Instructions for ICF-IID and CMS Publication 15-1. There was one misclassification as reported in the Appendix.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. There were no unreported contracts.
4. We compared the methodology used in the Home Office Allocation reports for *Schedules B-1, B-2 and C* to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Section 2150. There were no reclassifications or adjustments resulting in decreased costs.
5. We compared the 2018 non-payroll costs reported on *Schedule B-1, Schedule B-2 and Schedule C* by chart of account code to similar reported costs in 2017. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Home Office costs increased on *Schedule B-1 and B-2* due to downsizing and closure of other homes;
 - Staff Development - Direct Care increased on *Schedule B-2* due to new medical certification training and related supplies purchased;
 - Program Supplies increased on *Schedule C* due to replenishing supplies and new activities for residents; and
 - Travel and Entertainment increased on *Schedule C* due to reclassifying gas and oil supplies expenses from other line items.

Property

1. We compared the initial square footage and year of construction of the 103 Weber Court facility from the Lorain County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were no differences.

Property (Continued)

We did not test *Attachment 9, Log 1: Additional and Removals* as the Provider did not report any additions or removals.

2. We compared the project year, type and cost for the renovation from the invoice to *Attachment 9, Log 2: Renovations Projects* and to the Cost Report Instructions for ICF-IID. We also compared the typed and cost of the renovations to the Cost Report Instructions. There were no variances.
3. We compared the square footage and year of construction of secondary buildings facilities from *Attachment 9: Fair Rental Value Log 3* to the Home Office List. There were no variances.

We compared the utilization percentage from the Home Office Allocation Summary to *Attachment 9, Log 3*, the Cost Report Instructions for ICF-IID and CMS Publication 15-1. There was a variance in the percentage as reported in the Appendix.

4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the Fixed Assets Schedule, Cost Group Detail Report, lease agreement, and monthly lease invoices to the Cost Report Instructions for ICF-IID. We also compared the costs to the Cost Report Instructions for ICF-IID and CMS Publication 15-1. There were no variances.

We selected one capital asset each from account 8040 and calculated the first year's depreciation based on the Cost Report instructions for ICF-IID and useful life prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation. There were no variances greater than \$500 resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Detailed General Ledgers, Cost Group Detail Report and the Administrator's Wage Allocation report to *Schedule B-1; Schedule B-2; and Schedule C; and Schedule C-1, Administrator's Compensation*. There were no variances greater than \$500.
2. We selected a sample of five employees and a contracted individual reported on *Schedule B-1, Schedule B-2, Schedule C and C-1*. We compared the job descriptions and a monthly invoice of work performed to the schedule in which each employee's salary and fringe benefit expenses were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7 and to CMS Publication 15-1, Chapter 9 and Section 2150. There were no variances.
3. We compared the 2018 payroll costs on *Schedules B-1, B-2, C, C-1 and C-2* by chart of account code to similarly reported 2017 costs. We obtained explanations for five payroll variances that increased by more than five percent and \$500. Registered Nurse, Habilitation Supervisor, Habilitation Staff and Qualified Intellectual Disability Professional costs increased on *Schedule B-2* due to adding staff and filling vacant positions to accommodate clients' medical needs. Administrator costs increased on *Schedule C* due to salary increases.

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 Medicaid ICF-IID 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 to you.

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This report is intended solely for the information and use of the ODM and DODD to assist in evaluating revenues and expenditures, occupancy and usage, Medicaid claims and certain compliance requirements and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2020

Appendix
 Res-Care Ohio, Inc. DBA Boardwalk/ParkPlace
 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
8. Water and Sewage - 6030 - Other/Contract Wages (2)	\$ 10,863	\$ (2,279)	\$ 8,584	To agree to supporting documentation
Schedule B-2 Direct Care Cost Center				
43. Staff Development - 6550 - Direct Care (2)	\$ 4,962	\$ (550)	\$ 4,412	To reclassify unsupported costs to Non-Federal Reimbursable Costs.
Schedule C Indirect Care Cost Center				
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ -	\$ 550	\$ 550	To reclassify unsupported costs to Non-Federal Reimbursable Costs.
Attachment 9 Fair Rental Value Log 3: Secondary Buildings				
3. Home Office/Records Storage - Utilization/Allocation Percentage	38.26%	-13.32%	24.94%	To correct utilization percentage

OHIO AUDITOR OF STATE KEITH FABER



RES-CARE OHIO, INC. DBA BOARDWALK/PARK PLACE

LORAIN 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 1/19/2021

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