



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the intermediate care facility for individuals with intellectual disabilities, Clark County Board of Developmental Disabilities, DBA F.F. Mueller Residential Center - Blue's (the ICF-IID) Medicaid ICF-IID Cost Report and Medicaid payments for the year ended December 31, 2019 and certain compliance requirements related to the Cost Report and Medicaid services, included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Medicaid ICF-IID Cost Report for the year ended December 31, 2019 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Department of Medicaid and the Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2019, and certain compliance requirements related to the Cost Report and Medicaid services. 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 the report and may not meet the needs of all users of the 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:

### Occupancy and Usage

1. We footed the Monthly Detailed Census - By Payer reports. There were no computational errors.

We compared the number of Medicaid and non-Medicaid patient days from the Monthly Detailed Census - By Payer reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.

2. We selected eight residents' medical records for one month in 2019 and compared the total days of care with inpatient days reported on the Monthly Detailed Census - By Payer reports 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 the eight residents selected in the Occupancy and Usage procedure and compared the reimbursed days to the days documented per the resident's medical records and the payment adjustment requirements for resident's admission, discharge or death in the Ohio Admin. Code § 5123:2-7-15. There were no unsupported or unallowable days.

### Medicaid Paid Claims (Continued)

We compared the medical records and documentation for any authorized bed hold days in excess of 30 in a calendar year and waiver respite days to the paid claims data. There were no bed hold days in excess of 30 days and no waiver respite days.

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

### Revenue

1. We compared the ICF Revenue report and the Trial Balance with *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123-7-12, and CMS Publication 15-1. There were no variances.
2. We scanned the monthly Revenue reports 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.

### Non-Payroll Expenses

1. We compared home office non-payroll expenses on the Active Treatment and Program Expense Worksheets, Medicaid Management report and Home Office General Ledger to the Home Office Allocation Summary and then compared all non-payroll expenses on the Home Office Allocation Summary and the Trial Balance to *Schedule B-1, B-2 and C*. There were no variances.
2. We scanned the General Ledgers and selected 30 non-payroll expenses and 10 home office expenses from *Schedules B-1; B-2; and C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Cost Report Instructions for ICF-IID and CMS Publication 15-1 to confirm costs were properly allocated, classified, and allowable.

There were no reclassifications between schedules exceeding \$500. There were adjustments resulting in decreased costs as reported in the Appendix. We scanned the corresponding invoice and found no similar errors or misclassifications.

3. We compared the cost methodology used in Program Expense Worksheets, Medicaid Management report, and the Home Office Allocation Summary to allocate home office costs from the Home Office General Ledger to *Schedules B-1, B-2 and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, Section 2150.

We found the home office cost methodology calculated the percentage of ICF-IID costs as a proportion of total costs; however, home office costs were not excluded as part of the calculation as required by CMS Publication 15-1, Section 2150.3 (D)(2)(b).

The ICF-IID did provide a revised cost allocation worksheet and we compared these costs to the Expenditure Reports provided. There were no differences. We found the recalculation of the percentage of ICF-IID costs to total costs of all chain components did not exclude home office costs from total costs; however, removing any additional costs from the total costs in the calculation would not result in decreased home office costs reported on any schedule.

## Property

1. We compared the year of initial construction and square footage of the 2535 Kenton Street facility from the floor plan, building images and the Book Asset Detail report to *Attachment 9, Fair Rental Value Survey*. There were no differences.
2. We compared the project year and cost for five renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. There were no variances in the project year; however, there was a project cost variance for one renovation as reported in the Appendix. We also compared the type and cost of the addition to the Cost Report Instructions for ICF-IID. There were no variances.
3. We compared the square footage and year of construction of the home office and records storage at the 2535 Kenton Street facility from floor plans and pictures of the building and the Book Asset Detail report to *Attachment 9: Log 3: Secondary Buildings*. There was no variance in the year of construction and no square footage variance exceeding 10 percent.
4. We also compared the utilization percentage from the Home Office Allocation Summary to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1. There was no variance that resulted in a decrease in the utilization percentage.
5. We compared equipment depreciation from the Book Asset Detail report and the Home Office Allocation Summary to *Schedule D, Capital Cost Center*, the Cost Report Instructions and CMS Publication 15-1. There were no variances.
6. We selected one capital asset each from both account 8040 and 8090 which were being depreciated in the first year. We recalculated the first year's depreciation for the two assets selected, based the Cost Report Instructions and the useful lives prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18 and the 2018 American Hospital Association (AHA) Asset Guide.

We compared the recalculated depreciation to the reported depreciation. There were variances resulting in decreased costs as reported in the Appendix.

## Payroll

1. We compared all home office salary, fringe benefits and payroll tax entries from the Medicaid Management report to the Home Office Allocation Summary and all payroll costs from the Home Office Allocation Summary and the Trial Balance to *Schedule B-1, B-2 and C*. There were no variances.

We also compared hours worked and salaries from the Home Office Allocation Summary to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We selected a sample of five employees and two contracted individuals reported on *Schedule B-2, Schedule C and C-1*. We compared the job descriptions and one month of timesheets to the monthly payroll reports and Salaries by Location reports and compared the contractor invoices to the General Ledger. We then compared the payroll costs on the Salaries by Location reports and General Ledger to the Trial Balance and from the Trial Balance and Home Office Allocation Summary to the schedule in which each employee's salary and fringe benefit expenses or contract costs 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 resulting in decreased costs.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the 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 ICF-IID's Medicaid ICF-IID Cost Report and compliance with certain laws and regulations. Accordingly, we do not express 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 ICF-IID 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

February 7, 2022

**Appendix**  
**Clark County Board of Developmental Disabilities DBA**  
**F.F. Mueller Residential Center - Blue**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule B-2, Direct Care Cost Center</b>				
5. Registered Nurse - 6120 - Other/Contract Wages (2)	\$ 107,429	\$ (210)	\$ 107,219	To reduce costs based on incorrect allocation
<b>Schedule C, Indirect Care Cost Center</b>				
48. Home Office Costs/Indirect Care - 7310 - Other/Contract Wages (2)	\$ 263,247	\$ (52)	\$ 263,195	To reduce costs based on incorrect allocation
<b>Schedule D, Capital Cost Center</b>				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 2,121	\$ (14)	\$ 2,107	To exclude month of acquisition depreciation expense
11. Home Office Costs/Capital Costs - 8090 - Total (3)	\$ 15,860	\$ (65)	\$ 15,795	To exclude month of acquisition depreciation expense
<b>Attachment 9, Fair Rental Value Survey</b>				
<b>Fair Rental Value Log 2: Renovations Projects Log</b>				
30. Door Security Upgrades, Project Cost	\$ 4,234	\$ (20)	\$ 4,214	To agree cost to vendor invoice

# OHIO AUDITOR OF STATE KEITH FABER



**CLARK COUNTY BOARD OF DEVELOPMENTAL DISABILITIES, DBA F.F. MUELLER RESIDENTIAL  
CENTER - BLUE**

**CLARK 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 2/22/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)