



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
(614) 466-3340
ContactUs@ohioauditor.gov

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 Community Concepts, Inc. DBA Community Concepts, Inc. - Home 6's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2021, 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 Cost Report for the year ended December 31, 2021, and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio 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, 2021, 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:

Census Data and Medicaid Paid Claims

1. We footed the Daily Census Sheets reports and found no computational errors. We compared the total of inpatient and leave days from the Daily Census Sheets to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected all six residents from the Daily Census Sheets and included residents with leave days in the selection. We obtained medical records for the selected individuals for one month and confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123:2-3-04(I). We found no omitted days.

For any reimbursed leave days, we obtained the Daily Census Sheets and medical records for each remaining month. We totaled the leave days per resident for the year and found no total days over 30.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days were equal to net Medicaid reimbursed days.

Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance to the General Ledger* and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances.
2. We scanned the description in the General Ledger for any discounts, allowances, refunds or rebates and compared these entries to the chart of account codes 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*. We found no unreported offsets or reclassifications between schedules exceeding \$500.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the General Ledger, Adjusting Journal Entries worksheet, and Home Office Allocation Schedule to *Schedules B-1, B-2 and C*. We found no variances exceeding \$500 or resulting in decreased costs.
2. We scanned the General Ledger for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll expenses and 10 home office expenses from *Schedules B-1, B-2, and C* that exceed \$500 and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found a variance resulting in decreased costs as reported in the Appendix.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rate and found no variances.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found non-federal reimbursable costs as reported in the Appendix. For these errors, we scanned the corresponding invoices to identify any additional similar errors or misclassifications. We found no additional similar errors or misclassifications.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions). We found no variances between schedules exceeding \$500.
- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no costs that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and the ICF's Depreciation/ Capitalization Policy to confirm that the expense was not a capital asset. We found no unidentified capital assets.

Non-Payroll Expenses (Continued)

- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used in the Home Office Allocation schedule for *Schedules B-1, B-2 and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. There were no reclassifications or adjustments resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the 5615 Ivy Road facility from the Clermont County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year or square footage exceeding 10 percent.
2. We compared the project year, type and cost for five recent renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the addition to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared the square footage and year of construction of the 6699 Triway Drive facility from the Warren County Property records to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. There were no variances.

We also compared the utilization percentage from the Secondary Building Schedule to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1 §§ 2150 and 2302.4. There were no variances.

4. We compared equipment depreciation and lease costs from the Depreciation Expense Report, Home Office Allocation worksheet, and General Ledger to *Schedule D, Capital Cost Center*, and the Cost Report Instructions. There was a variance as reported in the Appendix.

We scanned the Depreciation Expense report and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

Payroll

1. We compared all salary and fringe benefits on the General Ledger, Adjusting Journal Entries worksheet, and Home Office Allocation Schedule to *Schedules B-1, B-2, and C*. We found no variances resulting in decreased costs.
2. We also compared hours and percentage of time worked and salaries from the Administrative Wage Allocation report to *Schedule C-1, Administrator's Compensation* and *Schedule C-2, Owner's Relatives Compensation*. There were no variances resulting in decreased costs.
3. We obtained the Labor Distribution Summary and selected five employees reported on *Schedules B-2* and obtained the organizational chart, job description, Pay Statements and Labor Distribution reports (payroll documentation) and if the programs with benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:

Payroll (Continued)

- We compared the employee payroll documentation to the General Ledger and the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
- We compared the employee payroll documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the cost benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no variances.
- We compared the employee payroll documentation to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances exceeding \$500.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4 and determined if each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances resulting in decreased costs.

Contracted Personnel

We selected two contracted personnel reported on *Schedule B-2* and obtained the corresponding contracts, contract invoices, General Ledger, and one month of timesheets/documentation of work performed by each contract employee, and if the purpose of the contract expense is unclear, we inquired with the ICF-IID (contract documentation). Using this documentation, we performed the following procedures on each selected contracted personnel:

- We compared contract documentation to the General Ledger and Cost Report instructions to confirm documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances.
- We footed the contract invoice and found no computational errors resulting in decreased costs. We compared the invoice rate to the contracted rate and found no variances within the rates.
- We compared the contract documentation to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the costs benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no unallowable costs; however, we found costs that did not benefit the ICF-IID as reported in the Appendix.
- We compared the documented contract cost and type of expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12. We found no reclassifications between schedules exceeding \$500.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found no variances resulting in decreased costs.
- We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report Instructions. We found 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 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 ICF-IID's 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.

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

February 10, 2023

Appendix
Community Concepts, Inc. DBA Community Concepts, Inc. - Home 6
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
14. Psychologist - 6175 - Other/Contract Wages (2)	\$ 575	\$ (575)	\$ -	To reclassify expenses allocable to another ICF to non-federal reimbursable costs
Schedule C Indirect Care Cost Center				
7. Food In-Facility - 7040 - Other/Contract Wages (2)	\$ 12,841	\$ (38)	\$ 12,803	To reclassify unsupported expense as non-federal reimbursable costs
40. Dues, Subscriptions and Licenses - 7270 - Other/Contract Wages (2)	\$ 2,736	\$ (1,000)	\$ 1,736	To reclassify lobbying expense to non-federal reimbursable costs
48. Home Office Costs/Indirect Care ** - 7310 - Adjustments Increases (Decreases) (4)	\$ 47,844	\$ (504)	\$ 47,340	To reclassify employee gift expenses to Non-Federal Reimbursable Costs
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 30	\$ 1,000		To reclassify lobbying expense to non-federal reimbursable costs
		\$ 504		To reclassify employee gift expenses to Non-Federal Reimbursable Costs
		\$ 575		To reclassify expenses allocable to another ICF to non-federal reimbursable costs
		\$ 38	\$ 2,147	To reclassify unsupported expense as non-federal reimbursable costs

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY CONCEPTS, INC. DBA COMMUNITY CONCEPTS, INC. - HOME 6

CLERMONT 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 3/28/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov