OHIO AUDITOR OF STATE
KEITH FABER

Medina County Board of Developmental Disabilities

Performance Audit

March 2023

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OHIO AUDITOR OF STATE
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OHIO AUDITOR OF STATE
KEITH FABER

To the Medina County Community:

The Auditor of State's Office recently completed a performance audit of the Medina County Board of Developmental Disabilities at the request of the Board. This review was conducted by the Ohio Performance Team and provides an independent assessment of the Board's operations.

This performance audit report contains recommendations, supported by detailed analysis, to enhance the overall economy, efficiency, and/or effectiveness of the Board's operations. This report has been provided to the Board and its contents have been discussed with the officials and administrators. The Board has been encouraged to use the recommendations and information contained in the report to make informed decisions regarding future operations, particularly as it continues to transition to conflict-free case management.

It is my hope that the Board will use the results of the performance audit as a resource for improving operational efficiency as well as service delivery effectiveness. The analysis contained within are intended to provide management with information, and in some cases, a range of options to consider while making decisions about their operations.

This performance audit report can be accessed online through the Auditor of State's website at http://www.ohioauditor.gov and choosing the "Search" option.

Sincerely,

Keith Faber
Auditor of State
Columbus, Ohio

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Medina County Board of Developmental Disabilities

Performance Audit Summary

WHAT WE LOOKED AT

At the request of the board members, this audit reviewed MCBDD's finances, service and support administration, and overall human resources. The goal of this audit was to provide the Board with information and guidance to ensure the continued fiscal health of the organization. In particular, the audit focused on the Board's efforts to adjust to new state and federal requirements related to financial reporting and service delivery.

WHAT WE FOUND

The Board appears to be in good fiscal health and maintains positive general fund balances. The ending cash balance of the general operating fund for FY 2021 was approximately $17.6 million, which would cover 81 percent of annual expenditures. The Board also maintained nearly $14.4 million in its non-operational funds, including capital and reserve accounts, at the end of FY 2021. Carrying substantial fund balances is not uncommon for county boards of developmental disabilities in Ohio, and we found that, in FY 2021, the majority of county boards in Ohio had an ending fund balance that covered more than 100 percent of annual expenditures. Based on information available from the Ohio Department of Developmental Disabilities, the Board also has shown that it can accurately project future revenues and expenditures, through the submission of annual financial forecasts.

With changes to federal reimbursement procedures, the Board is working to comply with conflict-free management requirements. We found a variety of areas that should be monitored as the Board continues to adjust to these changes. Our audit resulted in four recommendations which will assist the Board in future decision making. In addition, we found that the Board, and other county boards, would benefit from improved guidance from DODD. As a result, our audit issued one recommendation and two issues for further study directly to DODD in support of the county boards of developmental disabilities.

KEY OBSERVATIONS

Key Observation 1: The Ohio Department of Developmental Disabilities requires that each county board submit an annual financial forecast. A cost projection tool, which helps to estimate revenues and expenditures in a county board's general fund, is used for this purpose. We found that, based on available data, MCBDD has more accurate revenue and expenditure projections compared to the peer averages.

Key Observation 2: After a thorough analysis of salary data, we found that the salaries paid by MCBDD are in a similar range as those provided by the peers.

Key Observation 3: We reviewed the Board's collective bargaining agreements and compared the benefits that have been agreed upon to those contained in the peer collective bargaining agreements. We found that the cost of the benefits provided by MCBDD are in-line with, or in some cases less than, the cost of the benefits provided by peers.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: MCBDD, like most county boards of developmental disabilities, has a large cash balance in its general fund; however, this balance is in-line with its operational peers and the statewide average based on the Board's annual expenditures. Having a positive account balance is fiscally responsible as it ensures that future expenditures can be met in the event of a reduction in revenues. Although MCBDD currently has a fund balance that is in-line with the peer and state average, it does not have an official cash balance policy indicating a minimal balance that should be maintained. A minimum balance policy should be established that considers the current operational needs of MCBDD. In addition, such a policy must consider and identify adequate reserve balances that would allow the Board to continue to provide critical services during times of financial insecurity due to disruptions to expected revenue streams or unforeseen increases in expenditures.

Recommendation 2: ORC § 5126.053 requires that each county board annually submit to DODD a five-year projection of revenues and expenditures, with the first forecast having been submitted in April, 2020. DODD has provided a forecasting tool that is used by each county board; however, during our comparative analysis between MCBDD and its operational peers, we found that there was variation in how the forecasts are prepared. DODD should incorporate best practices from other statewide forecasting tools and provide additional guidance to county boards to improve the accuracy and standardization of these forecast documents. Some practices that could be adopted include clearly communicating uniform category definitions to all county boards, providing standard assumptions, and identifying how to calculate expenditures on a per capita basis.

Issue for Further Study 1: County boards of developmental disabilities are allowed to maintain funds in non-operational accounts for specific purposes. These account types, and their purpose, are outlined in ORC § 5705.222. This law contains language regarding how to calculate the maximum allowable account balance, however this language is subject to multiple interpretations. The Ohio County Commissioners Association should work with the Ohio Association of County Boards of Developmental Disabilities and DODD to seek out clarification on how to interpret the current language regarding account balance limits for non-operational accounts that are maintained by county boards.

Recommendation 3: MCBDD's Targeted Case Management (TCM) rate is high among operational peers, which leads to more cost responsibility for the county board of developmental disabilities. MCBDD should reduce its TCM rate by reducing General Expenses within Indirect/Overhead and increasing recorded SSA units per case manager, to the peer average values.

Issue for Further Study 2: The federal reimbursement for Targeted Case Management is distributed in two payments. The second payment can take years to process. A payment delay interrupts the natural feedback loop of lowering TCM rates, and inconsistent payment timing creates budgeting challenges for county boards of developmental disabilities. DODD should review internal processes relating to the processing and payment of these reimbursement settlements and determine what steps should be taken to ensure more timely payments are made in the future.

Recommendation 4: MCBDD spends more on health insurance premiums for its employees compared to its regional peers. The Board has regularly reviewed insurance options to determine if it can reduce expenditures in this area but has determined that the existing insurance structure best fits its needs. MCBDD should continue to regularly review options to reduce insurance related expenditures which could include seeking out alternative plans, moving employees to a lower cost plan currently offered by the Board, or raising the employee share of premium costs.

Recommendation 5: MCBDD must change how services are provided due to changes in federal law and a focus on conflict-free case management practices. During this transition, the Board may determine that it requires fewer positions to carry out core functions. MCBDD should continue monitoring staffing levels to ensure that it is able to continue to provide appropriate services to its clients at an efficient level.

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Introduction

Ensuring that all residents have access to services and programs that can help to enrich their lives is one of the purposes of government. In particular, governments are often tasked with assisting individuals who are members of vulnerable populations that may need more supportive services. Developmental disabilities are a broad array of conditions that are the result of an impairment in physical, learning, language, or behavioral areas. These conditions which cause developmental disabilities often occur in childhood and continue throughout a person's lifetime. Individuals with developmental disabilities represent a population that may require additional support and services to maintain a healthy and fulfilling life. In Ohio, these services are provided at the county level through county boards of developmental disabilities. These boards are county-based and locally controlled, allowing each community to serve the unique needs of the individuals living in the county.

Each county board of developmental disabilities is comprised of seven volunteer members that are appointed by either the Board of County Commissioners or the County's senior probate judge. The board must contain at least three members that either are eligible for services provided by the board, or who are immediate family members of someone who is eligible for services. Each county board is responsible for funding programs as well as managing and providing services to eligible individuals. While individuals with developmental disabilities may choose to seek out private care options, the programs and services offered by county boards of developmental disabilities are open to all eligible individuals and are not based on income.

Historically, in Ohio, county boards of developmental disabilities provided both case management services and direct, Medicaid-funded, Home and Community Based Services (HCBS).[1] County boards may also choose to provide additional services, such as operating a school or an Intermediate Care Facility,[2] which may receive some funding directly from the state. Coordinating support services for clients is required in Ohio by law, which means that county boards of developmental disabilities must provide case management services to their clients.[3] However, in 2014, the Centers for Medicare & Medicaid Services (CMS) instituted requirements that prevent providers of Medicaid-funded HCBS from also providing case management for these services due to the potential for conflict-of-interest issues. Because Ohio's county boards of developmental disabilities are required by law to provide case management services, they must discontinue direct services and instead link clients to a Medicaid-registered

[1] Home and Community Based Services (HCBS) are Medicaid waiver opportunities for individuals with developmental disabilities to receive services in their homes and communities as opposed residing in a long-term care facility, hospital, or intermediate care facility. HCBS allow individuals more control over their care.
[2] An Intermediate Care Facility (ICF) is a location where some individuals with developmental disabilities reside. These facilities offer staff on-site 24 hours a day, seven days a week.
[3] *See* ORC § 5126.15

third-party provider.[4] A service transition period was given by CMS. County boards of developmental disabilities must be in compliance with the Conflict-Free Case Management regulations by 2024. It is important to note that while services will no longer be directly provided by county boards of developmental disabilities, these services are still being funded by the county boards.

The Medina County Board of Developmental Disabilities (MCBDD or the Board) requested a performance audit of its operations to provide analysis and recommendations regarding improving overall performance.[5] The Ohio Auditor of State's Ohio Performance Team (OPT) conducted this performance audit of the Board's policies and procedures relating to Budgeting and Finance, Human Resources, and Service and Support Administration. In order to provide the Board with valuable, data-driven information and recommendations, we used a combination of industry standards, leading best practices, and peer analysis. Peers were chosen for this audit from other county boards of developmental disabilities in Ohio that serve a similar number of individuals and that also operate a school for students with developmental disabilities. A list of these operational peers can be found in **Appendix A**.

Ohio Department of Developmental Disabilities

Ohio's Department of Developmental Disabilities (DODD) is a cabinet level agency that oversees the statewide system of supportive services for individuals with developmental disabilities. DODD is run by a Director who is appointed by the governor.

DODD is responsible for providing training, licensing, and certification for service providers throughout the state. Additionally, it is responsible for advocating on behalf of statewide initiatives related to developmental disabilities, such as Early Intervention.

ORC Chapter 5123 codifies the responsibilities and duties for DODD which include determining eligibility, maintaining data on all services and programs provided, and promote programs of professional training and research in cooperation with other state departments, agencies, and institutions of higher education.

While DODD does not directly oversee the operations of a county board of developmental disabilities, it serves as a necessary partner, providing additional support and training to ensure individuals are able to receive the services that are needed. Additionally, DODD is responsible for distributing funding to county boards for specific programs and services, often as a pass-through organization for federal funding.

[4] HCBS waiver requirements stated in 42 CFR 441.301(c)(1)(vi) allow for exceptions when the State determines and approves a county board of developmental disabilities as the only willing and qualified provider of both case management and HCBS in the reasonable geographic area. The State must provide conflict of interest protections in the case of these exceptions. Otherwise, as stated in 42 CFR 441.301(c)(6)(v), noncompliance may result in losing the federal funding associated with HCBS, known as the TCM reimbursement in this audit.
[5] Performance audits are conducted using Generally Accepted Government Auditing Standards, see **Appendix A** for more details.

Medina County Board of Developmental Disabilities

Medina County (Medina or the County) is located in Northern Ohio and shares a border with five other counties near the southern shores of Lake Erie. The County covers approximately 425 square miles and has a population of approximately 180,000. The majority of the County, including the City of Medina, is considered part of the greater Cleveland metropolitan area.

MCBDD is governed by seven volunteer board members and is led by a Superintendent, who is selected by the Board members. The Board is responsible for assessing the needs of individuals, determining program eligibility, and developing service plans for their clients.

County board of developmental disabilities services are available for both adults and children with developmental disabilities. These services are provided for the entirety of the individual's life. To be eligible, one must live in the county where they are applying for services, have a qualifying developmental disability[6] that manifests before age 22 and is likely to continue indefinitely. The types of disabilities that qualify an individual for services can vary greatly and include conditions such as autism, cerebral palsy, muscular dystrophy, spina bifida, and Tourette's syndrome. Waiver programs are alternatives to institutional care and are needed to expand Medicaid eligibility to use Medicaid dollars for services administered by the Ohio Department of Developmental Disabilities (DODD). Some clients will be put on Medicaid waivers to help with funding county board of developmental disability services. In Ohio, there are three waiver programs for people with developmental disabilities, which are based on the type and degree of services needed by the client: Individual Options waiver, Level One Waiver, and SELF waiver.[7] There are a variety of services provided by MCBDD that are categorized as Community Supports, Children's Services, and Other Services and, in 2021, the Board served nearly 1,400 individuals with developmental disabilities. The graphic on the following page provides examples of the services provided by MCBDD, broken down by broad category.

[6] A developmental disability is a severe, chronic disability meeting the definition outlined in ORC 5126.01 (F)
[7] Three different waivers are administered in Ohio based on individual needs. Self-Empowered Life Funding (SELF) waiver is for those who want to manage some of their services such as hiring and training service providers.

Services Provided by MCBDD

Children's Services

WHO	WHAT
The Children's Services Department provides learning opportunities and support programs for children ages birth through 21. MCBDD operates Windfall school, an option not every county partakes in, which is focused on small group instruction.	• Early Intervention Programs • Preschool Education • Kindergarten through 12th grade education for individuals with developmental disabilities • Occupational Therapy • Physical Therapy • Speech Therapy

Service and Support Administration

WHO	WHAT
Service and Support Administration is a large part of the MCBDD as this department connects individuals to the services they need to meet the goals outlined in one's individualized service plans (ISP). Most services are provided through other providers. The remaining services are provided by Medina	• Case Management

Community Support Services

WHO	WHAT
The Community Supports and Development department provides support and resources to individuals, families, providers and community members.	• Provider relations • Employment • Self-advocacy • Assistive technology • Quality assurance and compliance • Behavior support

Other Services

WHO	WHAT
Administration oversees the operation and maintenance maintains facilities of the operation.	• Administration • Maintenance

Under ORC § 5126.05, the powers and duties of a county board of developmental disabilities duties include, but are not limited to, administering state mandated programs for individuals with disabilities[8] and coordinating, monitoring, and evaluating services. Examples of services outlined within the ORC include early childhood services, supportive home services, adult services, and special education services. MCBDD has over 130 staff members operating in over

[8] Specifically, county boards of developmental disabilities are responsible for administering programs outlined in ORC Chapter 3323, which relate to the education of children with developmental disabilities.

60 job titles. These positions are organized by the Board into six areas: Service and Support Administration, Operations, Administration, Children's Services, Community Supports, and Transportation. The majority of the staff are in Service & Support Administration, Children's Services, and Community Supports.

Financial Information

In Ohio, county boards of developmental disabilities are funded through a combination of local levies, state appropriations, and federal grants. All county boards collect at least one local property tax levy approved by voters, with some counties collecting multiple tax levies. The proportion of overall funding made up by local levies varies from county to county, but Ohio overall is unique in that it relies on local funding sources to pay for most developmental disabilities services; other states rely heavily on state funding streams.

Local Funding

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution[9] and the Ohio Revised Code (ORC).[10] These restrictions limit the amount of tax that can be levied without voter approval to 10 mills[11] or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value. These taxes are split between the various taxing districts that operate where a property is located.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976 and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.[12] In subsequent years, with exceptions such as new construction, a taxing district would not receive additional revenue from a levy as property values increased.[13] Instead, the outside mills are subject to reduction factors[14] which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.[15]

County boards of developmental disabilities can collect revenue from levies that are designed for general operating purposes or for specific uses. Depending on the language within the

[9] Ohio Const. Art. XII, Section 2.
[10] Ohio Rev. Code § 5705.02.
[11] A mill is defined as one-tenth of one percent or $1 for every $1,000 of taxable value.
[12] Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.
[13] If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.
[14] ORC § 319.301.
[15] We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The Board should consult with the most current version of the law for a clear understanding of how this process works today.

authorizing levy, the revenue generated from the property tax would be directed to the appropriate account by the county commissioners.

State and Federal Funding

County boards of developmental disabilities in Ohio receive some funding from the state for specific purposes. For example, MCBDD operates a school which receives funding from the Ohio Department of Education for the purposes of educating students. Similarly, some county boards operate specialized care facilities that receive funding from the state. These instances of state funding are for specific purposes and may skew the overall makeup of an individual county board's revenue.

In addition to local funding and limited state funding, county boards also receive reimbursements from the federal government for eligible activities and expenses. These actions, which are discussed in length in the **Service Support Administration** section, involve case management activities for individuals that qualify for services paid for by Medicaid.

Government Fund Accounting

County Boards of Developmental Disabilities are established with a general fund, pursuant of ORC 5705.091. In addition to the general fund, a capital fund may be created if requested by the county board of developmental disabilities, pursuant of ORC 5705.091. In governmental fund accounting, the general fund operates similarly to an individual's checking account. The majority of revenues are directed to the general fund and it is what an organization uses to pay for regular operating expenditures. The capital fund would operate more like a specialized savings account, such as a college fund, where money is allocated to pay for large future expenses. Specifically, a county board of developmental disabilities capital fund can be established for the expenditures for acquisition, construction, or improvement of capital facilities, or acquisition of capital equipment used in providing services is credited.

General Fund Accounts

Within the general fund, a county board may have multiple accounts. As previously mentioned, some of these accounts may be tied to revenue from property tax levies that were passed for a specific purpose. Others, such as a reserve balance account and capital improvement, may be used to maintain funding for operational expenses in future years.[16] The reserve balance account and capital improvements account act as a type of rainy-day savings for county boards.

[16] County boards of developmental disabilities are allowed to request that the County Commissioners appropriate revenues to the reserve balance account and the capital improvement account, in accordance with ORC 5705.222.

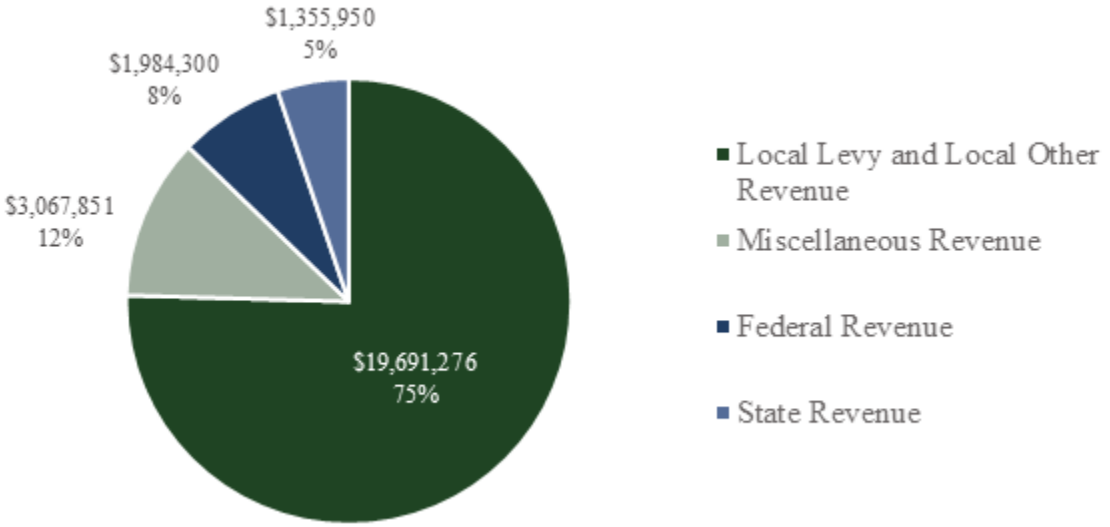
Medina County Board of Developmental Disabilities Finances

MCBDD has both the required general fund and a capital fund. Revenues are allocated to each fund by the Medina County Commissioners based on the budget request submitted by MCBDD. It should be noted that the Board maintains balances in both the general and capital fund that exceed the amount necessary to cover current expenditures. As of December, 2021, approximately 80 percent of the Board's years end funds were contained within general fund and 20 percent were contained within the capital fund. Within MCBDD's general fund there is a reserve balance account and within the capital fund there is a capital improvements account.

Medina County Board of Developmental Disabilities Revenue

In CY 2021, MCBDD had $26 million in total revenue, which was comprised of local property tax revenue, state appropriations, and federal grants and reimbursements. As seen in the chart below, the majority of revenue, 75 percent or $19.5 million, came from local property taxes.

CY21 MCBDD Total Revenue



Source: DODD

MCBDD's local property taxes are assessed based on three levies that have been voted on by residents of the county, and each levy raises a specific amount of revenue each year. Two of these levies are continuous and will not require further approval votes. Combined, these levies generate approximately $13.3 million annually. The third levy was renewed in 2019 for a term of 10 years and collects approximately $6.7 million annually. The third levy will require a vote for

renewal by 2030. MCBDD's effective millage for CY2022 was 3.21 which is less than the peer average of 4.11 millage.

The amount of revenue raised from property taxes is based on the millage rate along with the assessed valuation of the property. Because of this, a lower millage rate does not mean that an entity will collect less revenue from existing property taxes. As seen in table on the following page, Medina generates the third highest revenue from property taxes while having the second lowest millage rate.

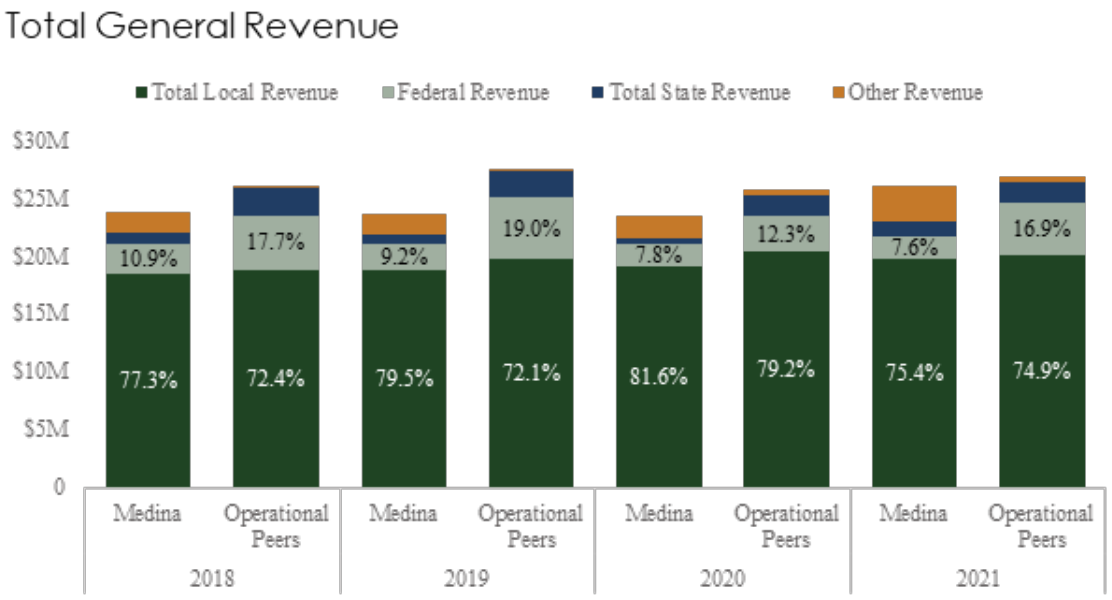
2022 Local Property Tax Comparison

	Number of Levies			Effective Mills			Estimated Total Revenue		
	Cont.	Term	Total	Cont.	Term	Total	Cont.	Term	Total
Medina	2	1	**3**	2.13	1.08	**3.21**	$13.3M	$6.7M	**$20.0M**
Clermont	3	1	**4**	1.97	0.59	**2.56**	$10.2M	$3.1M	**$13.2M**
Fairfield	2	1	**3**	1.95	1.45	**3.40**	$9.1M	$6.8M	**$15.9M**
Lake	2		**2**	3.83		**3.83**	$28.0M		**$28.0M**
Mahoning		2	**2**		3.72	**3.72**		$17.4M	**$17.4M**
Portage	4	2	**6**	2.36	1.75	**4.11**	$9.4M	$6.9M	**$16.3M**
Trumbull	1	2	**3**	1.98	3.14	**5.12**	$7.2M	$11.5M	**$18.7M**
Wood	7	1	**8**	4.27	1.79	**6.06**	$15.9M	$6.7M	**$22.6M**
Total	**21**	**10**	**31**	**18.49**	**13.52**	**32.01**	**$93.1M**	**$59.1M**	**$152.2M**

Source: DODD

MCBDD, along with its peers have multiple levies. Many of these levies are continuous, which means that they will not require reapproval. The levies which are identified as term expire on either a 5 or 10 year schedule and must be renewed by voters. The variation in continuous and term levies is important to consider when forecasting future revenues as there is no guarantee that voters will renew a levy. This is discussed in further detail in **Recommendation 1**.

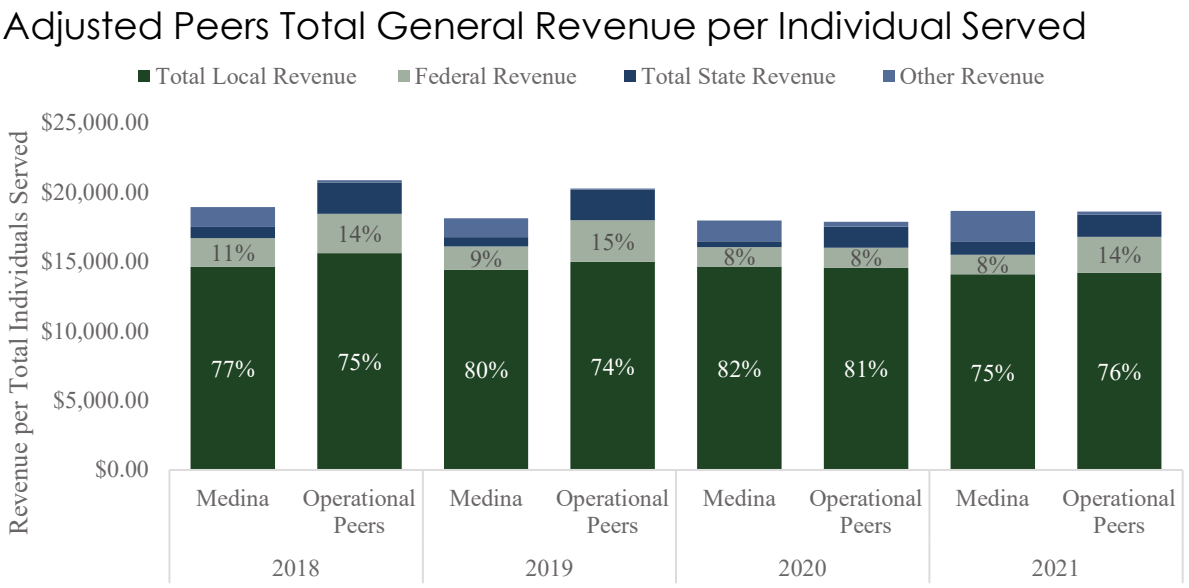
The operational peers used for comparison are similarly sized and serve a similar number of clients. However, because the needs of the client are unique, the revenue needed to serve those individuals may vary from county to county. The chart below compares total revenue between MCBDD and the operational peers. While the total amount of funding necessary to operate may vary between county boards, both MCBDD and the operational peers rely on local funding for approximately 75 percent of total revenue. The operational peer average for state and federal funding is higher than Medina, potentially due to counties offering residential services through Intermediate Care Facilities, which receive both federal and state funding.



Source: DODD County Board Cost Projections

In addition to the variations noted above, the difference in the revenue categories that are not local revenue can be attributable to counties categorizing cost report settlements and/or waiver match reconciliations differently within the county board cost projection tool. The "other" revenue category accounts for funding such as excess cost or tuition paid by school districts to the county board if it operates a school for individuals with developmental disabilities. MCBDD grouped Medicaid settlements within this other revenue category whereas some peers categorized the settlements as federal and/or state revenue. **Recommendation 2** outlines additional areas for improved guidance relating to the cost projection tool.

Because services are provided on an individual basis, we compared the total revenue per individual served. This revenue is broken down by source for purposes of comparison. Over the past several years, MCBDD has collected less total revenue per individual served compared to the operational peer average. However, two of the peers, Lake and Wood County Board of Developmental Disabilities, operate Intermediate Care Facilities. These facilities provide in-house residential services to individuals with qualifying developmental disabilities and require specialized staff. There is state and federal funding available for the operation of these facilities, which can skew total revenues. The chart below shows the revenue per individual served for MCBDD compared to the operational peers that do not have an Intermediate Care Facility.

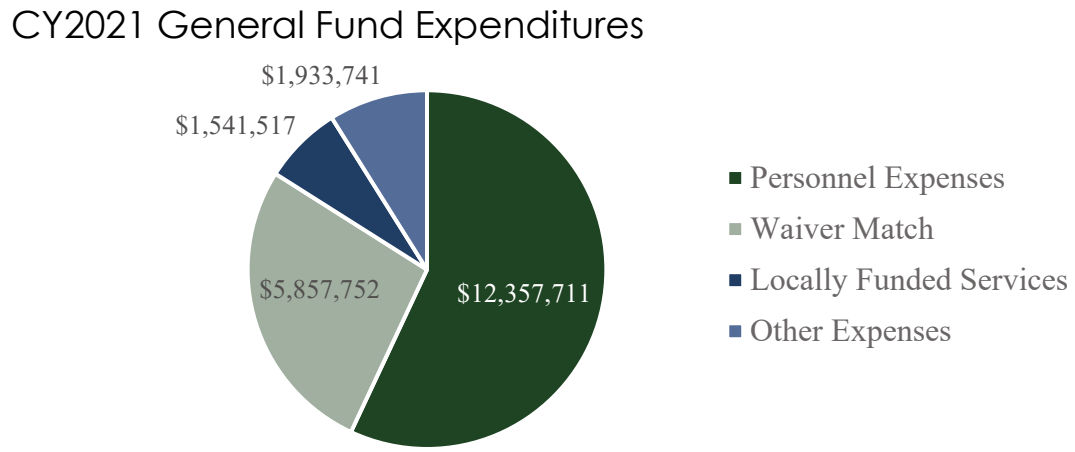


Source: DODD
Note: Wood and Lake County operate ICFs and are excluded.

Notably, when controlling for the additional revenue associated with the Intermediate Care Facility, MCBDD is in-line with the peer averages. This means that, when the peer counties that operate live-in facilities are removed from the comparison, MCBDD is funded at a similar rate to the operational peers.

Medina County Board of Developmental Disabilities Expenditures

The revenues generated through local, state, and federal sources are used to fund MCBDD's expenditures. In 2021, the Board had approximately $21.7 million in expenditures from the general fund. There are four main categories of expenses for county boards of developmental disabilities: personnel, waiver match, locally funded services, and other. Costs not directly attributable to the three expense categories are labeled as other expenses. Examples may include but are not limited to fees, office supplies, utilities, advertising, and membership. Each expense category has a specific purpose and typically aligns with the budget set at the beginning of the fiscal year. A breakdown of expenditures by category is shown in the chart below.

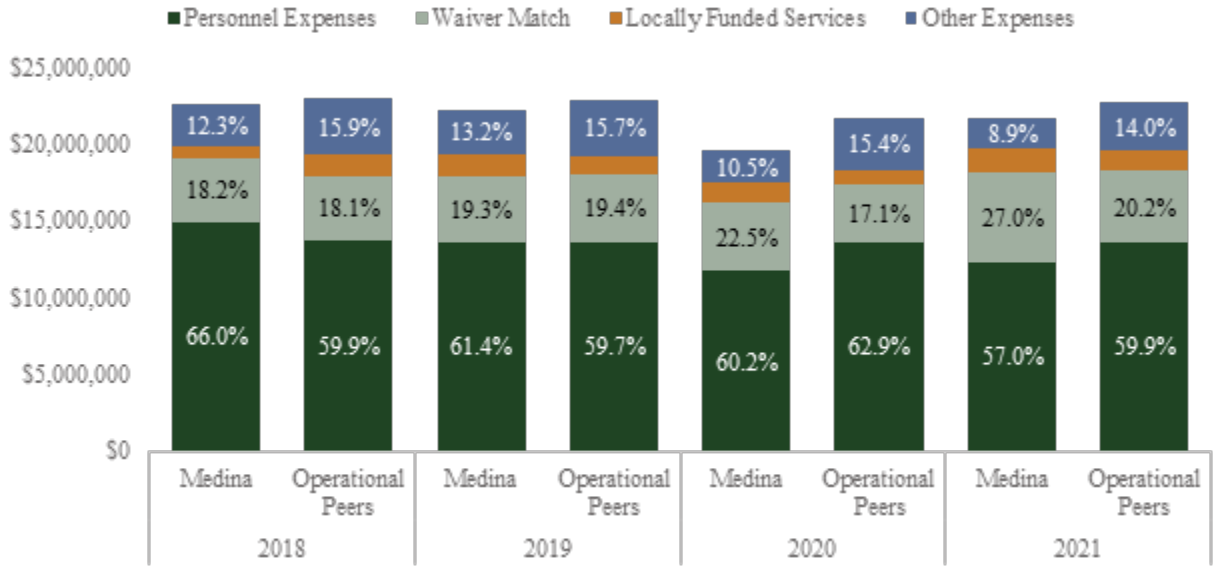


Source: DODD

It should be noted that total expenditures for MCBDD are less than the revenues for the same year. This is because not all revenues are directed to the general fund, as some are directed to the capital fund.

MCBDD and the operational peers had similar expenditure amounts over the past four fiscal years ranging between $20 million and $25 million per year. Below is a breakdown of the expenditures by category over the past four fiscal years.

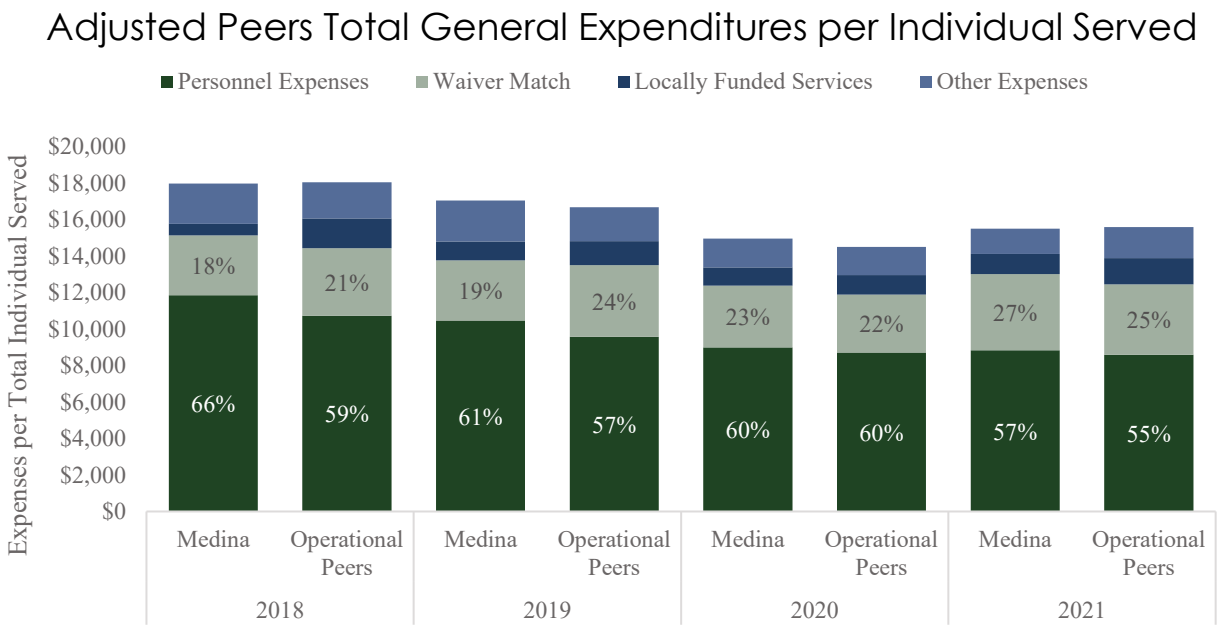
Expenditures by Category



Source: DODD

MCBDD's personnel expenses have decreased over the past four years. The reductions in expenditures are due, in part, to reductions in workforce resulting from the steps taken to adhere to conflict-free case management practices, as required by CMS. This decrease of positions was related to adult and transportation services which totals to be about 64 positions between 2018 and 2021. However, with this change, while MCBDD may not be providing adult and transportation services, they are still covering the expenses of those services that are provided by a private providers by paying Medicaid match or using local funding if the individual is not on a waiver. This is shown in the increase in waiver match and locally funded services.

Compared to peers, MCBDD had lower expenditures per individual served. Notably, while MCBDD has seen a reduction in personnel expenditures over the four-year period, the peer group has remained relatively stable in this expenditure category. This may be tied to the two peers that operate the Intermediate Care Facilities. Similar to revenue comparisons, it is important to note that two of the operational peers have Intermediate Care Facilities which require specialized staff and may result in higher expenditures. When controlling for this, as seen in the chart below, MCBDD is in line with peers that also do not operate such a facility. Notably, these peers have seen a similar decline in personnel expenses while also seeing an increase in the percentage of expenses associated with the waiver match.



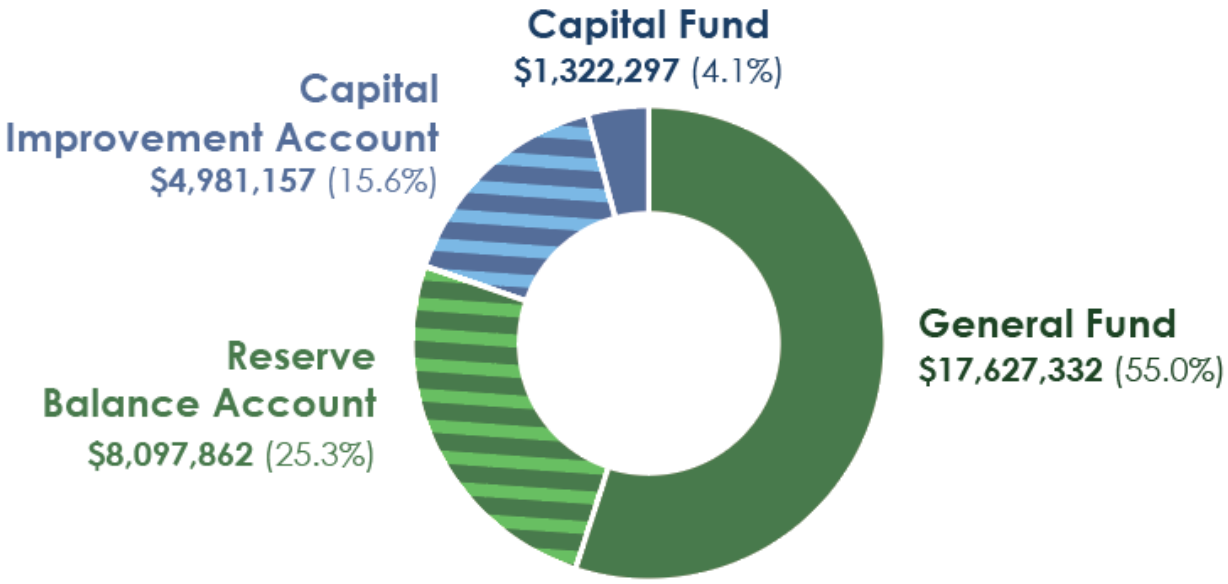
Source: DODD

Note: Wood and Lake County operate ICFs and are excluded.

MCBDD Fund Balances

As previously mentioned, MCBDD maintains two funds, a general fund and a capital fund. In 2020, MCBDD began to use a reserve balance account contained within the general fund and a capital improvements account contained within its capital fund. The Board's combined ending fund balance as of December 2021 can be seen in the chart below, with the total general fund balance represented in shades of green and the total capital fund balance represented in shades of blue.

2021 General Fund and Capital Fund Year End Balances



Source: MCBDD

Note: Other and Council of Government cash balances are not included due to being 0.7 percent of total.

Within both the general fund and the capital fund, MCBDD maintains a subaccount. The reserve balance account is represented by the light green color in the previous chart and contains money that can be used to pay for future operating expenses. The capital improvement accounts is shown in the dark blue color and is a contingency account that can be used for the necessary acquisition, replacement, renovation, or construction of facilities and equipment.

Maintaining appropriate cash balances is an important component of ensuring the continuation of critical services to individuals. As discussed in **Recommendation 1**, the Board hold funds that allow for the continued operation and provision of services on a day to day basis as well as in instances of financial instability, whether due to decreased revenues or unexpected increases in expenditures.

Service and Support Administration

Service and Support Administration (SSA) is the coordination of services, or case management, for clients. Per the changes in Conflict Free Case Management conflict of interest laws, county boards of developmental disabilities must continue to coordinate direct services for clients and are no longer allowed to act as providers of direct HCBS services.[17] In addition to being a critical service, SSA is one of the few operating areas where county boards of developmental disabilities have a consistent federal funding contribution, through Medicaid reimbursements for Targeted Case Management (TCM).

Coordinating Medicaid eligible services is recorded as TCM and is measured in 15-minute units. A portion of the expenses associated with these units are reimbursed through DODD according to a complex formula using the TCM rate, which identifies the allowable cost per TCM unit. A lower rate would indicate efficiency for a county board. Overall county board of developmental disabilities finances are sensitive to small improvements in TCM rates as the average county provides 62,700 units of TCM annually.

The TCM rate includes cost allocations from six SSA expense categories: Capital Costs, Indirect Overhead Costs, Program Supervision Costs, Building Services Costs, SSA Direct Costs, and Home Choice Transition Coordination Costs. Because of federal reporting requirements, it is possible to compare performance between county boards and identify the individual subcategories where a county board may want to review operations (See **Service and Support Administration**). Further, the knowledge of how a county board of developmental disabilities compares on the operations impacting the rate can help with making budget and management decisions that result in federal funding and cost reduction in a key area of service.

County boards are required to pay for all expenses related to SSA and then submit TCM costs to DODD for partial reimbursement through funding from Medicaid. County boards may submit TCM costs up to a state-defined cap, 112 percent of the average TCM rate in Ohio, which in 2020 was $35.13, costs in excess of the cap are not eligible for Medicaid contribution. The billable Medicaid reimbursement is split between a federal and state share. The federal government contributes to this reimbursement at the Federal Financial Participation (FFP) rate, which is typically around 60 percent in Ohio. The rate can fluctuate based on economic policy, state per capita changes, and program type. In Ohio, county boards are responsible for the state

[17] HCBS waiver requirements stated in 42 CFR 441.301(c)(1)(vi) allow for exceptions when the State determines and approves a county board of developmental disabilities as the only willing and qualified provider of both case management and HCBS in the reasonable geographic area. The State must provide conflict of interest protections in the case of these exceptions. Otherwise, as stated in 42 CFR 441.301(c)(6)(v), noncompliance may result in losing the federal funding associated with HCBS, known as the TCM reimbursement in this audit.

portion of Medicaid reimbursement, which means they are not reimbursed for TCM costs outside of the FPP.

What We Looked At

At the request of the board members, this audit reviewed MCBDD's finances, service and support administration, and overall human resources. The goal of this audit was to provide the board with information and guidance to ensure the continued fiscal health of the organization. In particular, the audit focused on the Board's efforts to adjust to new state and federal requirements related to financial reporting and service delivery.

What We Found

The Board appears to be in good fiscal health and maintains positive general fund balances. The ending cash balance of the general operating fund for FY 2021 was approximately $17.6 million, which would cover 81 percent of annual expenditures. The Board also maintained nearly $14.4 million in its non-operational funds, including capital and reserve accounts, at the end of FY 2021. Carrying substantial fund balances is not uncommon, and we found that, in FY 2021, the majority of county boards in Ohio had an ending fund balance that covered more than 100 percent of annual expenditures. In addition to maintaining healthy fund balances, the Board also has shown that it can accurately project future revenues and expenditures.

With changes to federal reimbursement procedures, the Board is working to comply with conflict-free management requirements. We found a variety of areas that should be monitored as the Board continues to adjust to these changes. Our audit resulted in four recommendations which will assist the Board in future decision making. In addition, we found that the Board, and other county boards, would benefit from improved guidance from DODD. As a result, our audit issued one recommendation and two issues for further study directly to DODD in support of the county boards of developmental disabilities.

Recommendation 1: MCBDD, like most county boards of developmental disabilities, has a large cash balance in its general fund; however, this balance is in-line with its operational peers and the statewide average based on the Board's annual expenditures. Having a positive account balance is fiscally responsible as it ensures that future expenditures can be met in the event of a reduction in revenues. Although MCBDD currently has a fund balance that is in-line with the peer and state average, it does not have an official cash balance policy indicating a minimal balance that should be maintained. A minimum balance policy should be established that considers the current operational needs of MCBDD. In addition, such a policy must consider and identify adequate reserve balances that would allow the Board to continue to provide critical services during times of financial insecurity due to disruptions to expected revenue streams or unforeseen increases in expenditures.

Recommendation 2: ORC § 5126.053 requires that each county board annually submit to DODD a five-year projection of revenues and expenditures, with the first forecast having been

submitted in April, 2020. DODD has provided a forecasting tool that is used by each county board; however, during our comparative analysis between MCBDD and its operational peers, we found that there was variation in how the forecasts are prepared. DODD should incorporate best practices from other statewide forecasting tools and provide additional guidance to county boards to improve the accuracy and standardization of these forecast documents. Some practices that could be adopted include clearly communicating uniform category definitions to all county boards, providing standard assumptions, and identifying how to calculate expenditures on a per capita basis.

Issue for Further Study 1: County boards of developmental disabilities are allowed to maintain funds in non-operational accounts for specific purposes. These account types, and their purpose, are outlined in ORC § 5705.222. This law contains language regarding how to calculate the maximum allowable account balance, however this language is subject to multiple interpretations. The Ohio County Commissioners Association should work with the Ohio Association of County Boards of Developmental Disabilities and DODD to seek out clarification on how to interpret the current language regarding account balance limits for non-operational accounts that are maintained by county boards.

Recommendation 3: MCBDD's Targeted Case Management (TCM) rate is high among operational peers, which leads to more cost responsibility for the county board of developmental disabilities. MCBDD should reduce its TCM rate by reducing General Expenses within Indirect/Overhead and increasing recorded SSA units per case manager, to the peer average values.

Issue for Further Study 2: The federal reimbursement for Targeted Case Management is distributed in two payments. The second payment can take years to process. A payment delay interrupts the natural feedback loop of lowering TCM rates, and inconsistent payment timing creates budgeting challenges for county boards of developmental disabilities. DODD should review internal processes relating to the processing and payment of these reimbursement settlements and determine what steps should be taken to ensure more timely payments are made in the future.

Recommendation 4: MCBDD spends more on health insurance premiums for its employees compared to its regional peers. The Board has regularly reviewed insurance options to determine if it can reduce expenditures in this area but has determined that the existing insurance structure best fits its needs. MCBDD should continue to regularly review options to reduce insurance related expenditures which could include seeking out alternative plans, moving employees to a lower cost plan currently offered by the Board, or raising the employee share of premium costs.

Recommendation 5: MCBDD must change how services are provided due to changes in federal law and a focus on conflict-free case management practices. During this transition, the Board may determine that it requires fewer positions to carry out core functions. MCBDD should continue monitoring staffing levels to ensure that it is able to continue to provide appropriate services to its clients at an efficient level.

Finances and Budget

At times, the services required by individuals with developmental disabilities can be costly. The delivery of and payment for these services is coordinated through the county board of developmental disabilities, which can require large expenditures. Ohio's county boards of developmental disabilities rely heavily on local taxes to fund their operations. In addition to these local taxes, county boards of developmental disabilities receive state and federal funding. Because these boards serve a vulnerable population and because they rely on public funds, it is important that their finances be presented in a transparent and accurate manner.

What We Looked At

At the request of the client, we compared MCBDD's cash balances to those of their operational peers and state requirements. This was done in an attempt to determine if the Board was maintaining an appropriate amount of cash on hand. We reviewed the non-operational funds to determine if MCBDD had excessive fund balances compared to what is allowed by state law as well as to determine if the amount that the Board maintained in its fund balances is appropriate from a financial best practice standpoint.

Beginning in 2020, DODD began to require that county boards submit a financial projection that contained a forecast of at least five years. This tool will allow county boards to project their future financial needs and also compare themselves to operational peers. Such projections and comparisons will help county boards better plan for potential concerns such as rising expenses or stagnant revenues.

We reviewed projected and actual financial figures from the previous three years for each county board of developmental disabilities using DODD's five-year projection tool. We separated the counties and their respective reports into three groups for comparison: MCBDD, Operational Peers, and the overall Ohio average. For each group we reviewed and compared the cash balances, reserve accounts, and capital improvement accounts. We also compared the actual financial values from the previous three years to the projected values of those same years. This was done to analyze the accuracy of the projections for MCBDD, Operational Peers, and the overall average for Ohio county board of developmental disabilities. Finally, we analyzed levy cycle and ending cash balances to determine if there is a relationship between the timing of the levy cycle and cash balance amounts for county boards of developmental disabilities.[18]

[18] The aging of levies inherently has an impact on revenue as they age, resulting in reduced effective millage. An analysis reviewing the impact on end of year cash balances did not yield a statistical correlation. Our analysis was evaluated among the operational peer set for 2018 to 2021 due to the central collection of this data by DODD. This limited time frame, coupled with many boards in transition in how they provide services, may have contributed to the unlikely results. This review resulted in an assessment not yielding a recommendation.

What We Found

Every county has a general fund, but not every county has non-operational accounts within the general fund, such as a reserve account or capital improvement account. Reserve accounts and capital improvement accounts are not required by ORC; however, MCBDD has both a reserve account and a capital improvement account. When comparing the operating cash balance in the general fund, MCBDD's cash balance is higher than average. However, when accounted for the size of the operations, the cash balance as a percentage of annual expenditures, MCBDD is in line with operational peers and the Ohio average. Further, when comparing the total amounts in all accounts as a percentage of annual expenditures, operational and non-operation accounts, MCBDD is again in line with peers and the Ohio average.

While the Board's cash balances are in-line with its operational peers and the statewide average for its non-operational accounts, there is a limitation on the amount the county commissioners can appropriate to the capital improvement account and to the reserve balance account. The limitations are contained in ORC § 5705.222. Because some variation can exist in how the limit calculations could be completed, a lack of insight into county board compliance with the account limits is present. Based on the ambiguous language currently contained in ORC § 5705.222, it is unclear as to what expenditures a board should include to calculate the maximum allowable fund balance. Further, DODD does not have specific guidance it can offer county boards regarding what expenditures should be used in this calculation. Because of this, MCBDD and other boards do not have confidence in their compliance with the reserve balance cap.

Our review of financial projections found that MCBDD is generally more accurate than its operational peers, and we found that the Board often underestimates revenues and overestimates expenditures, taking a conservative approach to forecasting. We found that the tool provided by DODD for forecasting purposes had some limitations and could be improved upon to assist the county boards in their efforts to accurately project future revenues and expenditures and ultimately assisting DODD in their ability to monitor the financial operations of the state's county boards of developmental disabilities.

Our analysis of the Board's financial condition resulted in two recommendations and one issue for further study. The first recommendation is directed to MCBDD and will allow the Board to ensure adequate fund balances are maintained and the second recommendation and issue for further study are directed to DODD and will help improve all county board's understanding of appropriate fund balances and improve future financial forecasting efforts.

Recommendation 1: MCBDD Should Establish a Cash Balance Floor Amount Policy

MCBDD, like most county boards of developmental disabilities, has a cash balance in its general fund; however, this balance is in-line with its operational peers and the statewide average based on the Board's annual expenditures. Having a positive account balance is fiscally responsible as it ensures that future expenditures can be met in the event of a reduction in revenues. Although MCBDD currently has a fund balance that is in-line with the peer and state average, it does not have an official cash balance policy indicating a minimal balance that should be maintained. A minimum balance policy should be established that considers the current operational needs of MCBDD. In addition, such a policy must consider and identify adequate reserve balances that would allow the Board to continue to provide critical services during times of financial insecurity due to disruptions to expected revenue streams or unforeseen increases in expenditures.

Impact

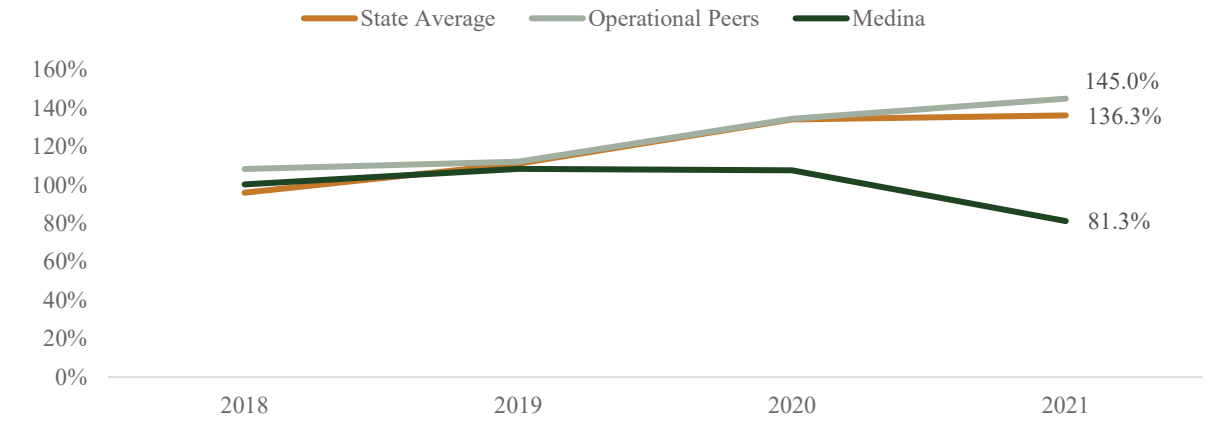
A cash balance floor amount policy establishes a minimum adequate level of a fund balance to mitigate current and future risks related to future funding changes.

Background

Organizations typically maintain some amount of cash balance in order to pay for expenses as they occur. These balances can vary greatly in value based on the size of an organization and the organization's business model or practices. Because of this, comparing cash balances on a dollar for dollar basis is not particularly helpful. Cash balance as a percentage of expenditures, using the year-end fund balance is a method to standardize the comparisons of cash balance and size of operations. The interpretation of the percentage would be how much of a calendar year could be covered by the cash balance. This means that if the cash balance were 100 percent of annual expenditures, then one year of expenditures could be covered.

MCBDD historically has had a cash balance at the end of each calendar year. In the years of our analysis, 2019 through 2021, the ending cash balance as a percentage of total expenditures was approximately 108.5 percent, 107.7 percent, and 81.3 percent. This indicates that the Board has historically maintained cash balances that can cover a significant portion of annual expenditures. The ending cash balance dropped significantly in 2021, however this was due to the Board opting to move funds into non-operational accounts that are used for specific purposes and not due to having expenditures that greatly exceeded revenues during that year. On the following page is a chart showing the cash balance as a percentage of annual expenditures for MCBDD alongside the operational peer average and the statewide average for all county boards of developmental disabilities.

Operating Cash Balance as a Percentage of Annual Expenditures



Source: DODD

Calculation: Fund Balance as of December 31st divided by total expenditures for each year.

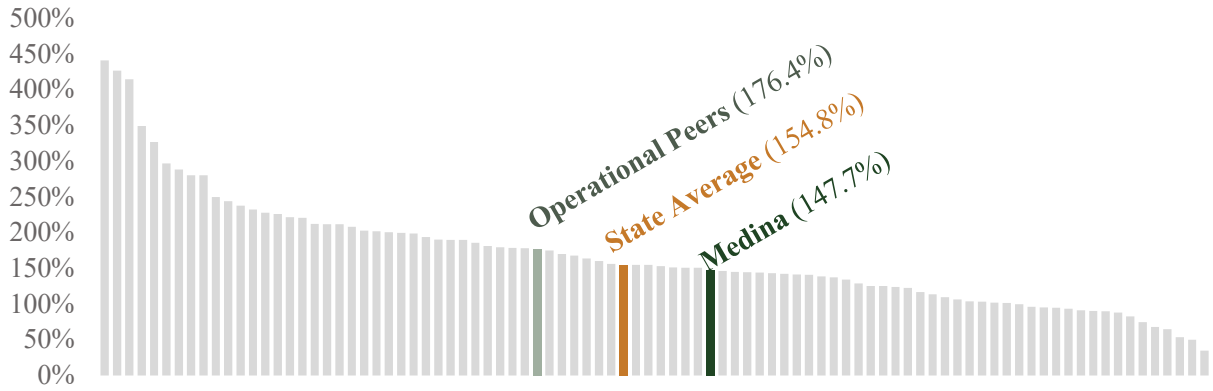
In 2021, the statewide average ending fund balance for county boards covered approximately 136 percent of annual expenditures and the operational peers had an average ending fund balance which covered 145 percent of annual expenditures. By comparison, MCBDD's ending fund balance covered only 81.3 percent of expenditures, a difference of 55 percent compared to the statewide average and nearly 64 percent compared to the operational peer average. However, this is due to MCBDD moving some funds to non-operational accounts, which not all county boards have chosen to use.

Non-Operational Accounts

County boards are permitted to establish non-operational accounts for specific purposes. In 2020, MCBDD passed a board resolution to establish non-operational accounts, both a reserve balance and capital improvement accounts. The Board transferred funds from the operational cash balance within the general fund to these newly established non-operational accounts which provides more precise and transparent accounting with their dedicated purposes. The reserve balance account contains funds needed to pay future operating expenses and the capital improvement account is a contingency account for necessary acquisition, replacement, renovation, and/or construction of facilities and equipment.

As of 2021, 67 percent of all county boards of developmental disabilities utilize a capital improvement account and 58 percent of all county boards of developmental disabilities utilize a reserve balance account. Further analysis of these accounts can be found in **IFFS 1**. Because county boards may choose to use these funds instead of maintaining high general fund balances, we reviewed the total fund balance for all county boards. The following chart shows the percentage of annual expenditures that are covered using the account balances of all funds maintained by a county board. This analysis takes into account how a county board of developmental disabilities may spread their money across different accounts.

CY21 Total Accounts, Operational & Non-operational, Over Annual Expenditures

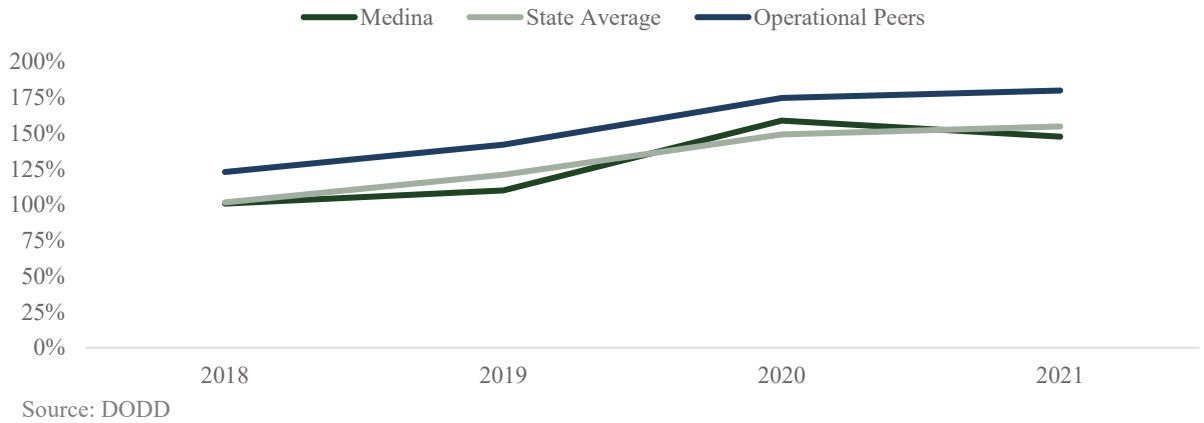


Source: DODD

Calculation: Fund Balance as of December 31st divided by total expenditures for each year.

In FY 2021, MCBDD had less in combined accounts as a percent of annual expenditures compared to both the operational peers and the state average. On average counties covered about 1.5 years' worth of expenses in FY 2021 while the Operational Peers covered about 1.7 years. MCBDD's amount in combined accounts as a percent of annual expenditures has increased over the years at a similar rate while also remaining under the Operational Peers' average, ranging from 101 percent to 159 percent from the years 2018 and 2021 as shown in the chart below. In recent years, there appears to be stabilization among the combined accounts as the percentage of annual expenditures starts to flatten.

Combined Account Balance as a Percentage of Annual Expenditures



Source: DODD

The cash balances maintained by MCBDD and other county boards are important to maintain fiscal health and allow each agency to ensure their clients receive necessary services. It is

important that MCBDD continue to maintain appropriate fund balances to prevent potential fiscal issues. Transfers between these accounts should be guided by planning. In particular, an organization's strategic capital plan should be used as the guide for the capital improvements account. This plan can help to determine the appropriate balances necessary to address future capital costs related to mission critical systems as well as planned a preventative maintenance. MCBDD can use its ten-year capital plan to address this issue, covering those items.

Methodology

After conducting several analyses related to fund balances to determine how MCBDD compared to both operational peers and statewide averages for county boards of developmental disabilities, we conducted research to determine what best practices exist relating to maintaining reserve balances. We reviewed other county board policies relating to cash balances and reviewed and researched general best practices. Once this information was collected, we compared it to MCBDD's policies and procedures to determine if the Board could make any additional improvements.

Analysis

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks. Revenue shortfalls and/or unanticipated expenditures are examples of said risks. Government Finance Officer Association (GFOA) recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund. At a minimum, general-purpose governments, regardless of size should maintain unrestricted budgetary fund balance in their general fund no less than two months of regular general fund operating revenues according to the GFOA. That is a minimum or floor amount. The appropriateness of the size is dependent on each government's own circumstances. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects from unexpected changes in financial condition. In other words, a government's particular situation often may require a level significantly in excess of the previously mentioned recommended minimum level.

Other county boards of developmental disabilities in Ohio have formal cash balance policies. Similar to the recommendation from the GFOA, the cash balance policies from other county boards of developmental disabilities establish a minimum or floor amount in the general fund. This can range based on circumstances, but examples typically establish at least three months or 25% of expenditures at the end of the levy cycle or previous year. One policy established a cash balance of 40% of the total budget to cover expenses for the first quarter as well as any unforeseen or emergency costs.

While the Board maintains fund balances that exceeds the GFOA recommendation, it currently does not have a policy which sets a floor for its ending fund balance. This puts the Board at risk for having available funds drop below a critical point and would potentially result in fiscal instability. The Board will need to consider the unique needs of its clients and the community on

which it relies for funding when setting a policy for a minimum balance. It could consider taking the approach of other county boards as identified above.

MCBDD, as many other county boards of developmental disabilities, project rising expenditures in future years. Couple rising expenditures with a funding model that relies on local levies which don't increase over time and decreasing cash balances within the general fund can be expected. The risks and cash flows associated with operating the Medina County board of developmental disabilities need to be considered in developing a formal cash balance policy. The cash balance policy may differ from other counties since MCBDD have recently established nonoperational accounts. However, a formal policy setting a floor amount is needed to help budget in future years and communicate needs and risks.

Additional Considerations

Maintaining a minimum cash balance allows an organization to continue operations in the face of unexpected financial issues, either increased expenditures or decreased revenues. For a government entity that relies on taxpayer funding, reserve accounts can help to maintain adequate funding in the face of potentially volatile revenue streams.

What constitutes an appropriate fund balance will vary from organization to organization and is influenced, in part, by the stability of funding and the organization's operational expenditures. Understanding target fund balances can help an organization make strategic decisions, such as what amount of available funds can be spent on service provisions.

While using reserve balance accounts can assist MCBDD in maintaining financial stability, it must be done in a manner that is transparent and beneficial to the community that the Board serves. The reserve cash balance, which acts as a type of rainy-day fund, should have specific guidelines in place as to what would trigger its use. A minimum cash balance policy would likely be one component of these guidelines.

As a part of their cash balance policy, MCBDD should also consider setting parameters around excess cash balances. This will involve incorporating strategic projections around the magnitude of potential levy shortfalls or operational expense shocks, as well as reference to the long-term capital plan. It is important that an organization like MCBDD work to maintain appropriate fund balances. This may include avoiding the accumulation of excessive reserve balances once those parameters have been identified. This could be done through the strategic spending of existing reserve balances based on operational needs.

Conclusion

MCBDD, like most county boards of developmental disabilities, has a large cash balance. However, as mentioned, the amount in terms of annual expenditure coverage is in line with the peers and Ohio average for county boards of developmental disabilities. Furthermore, the amount they have in both in cash balance and non-operational accounts in total are in line with the

operational peers and Ohio average for county boards of developmental disabilities. A cash balance policy sets the floor amount to cover potential increases in expenditures in a given year. While Medina County Board of developmental disabilities is in line with a total amount or ceiling, a floor is not currently established with a cash balance policy. A cash balance policy would help establish an adequate levels of fund balance to mitigate current and future risks.

Recommendation 2: DODD Should Incorporate Best Practices into the Cost Projection Tool

ORC § 5126.053 requires that each county board submit a five-year projection of revenues and expenditures to DODD on an annual basis, with the first forecast being submitted in April, 2020. DODD has provided a forecasting tool that is used by each county board; however, during our comparative analysis between MCBDD and its operational peers, we found that there was variation in how the forecasts are prepared. DODD should incorporate additional best practices from other statewide forecasting tools and provide additional guidance to county boards to improve the accuracy and standardization of these forecast documents, specifically requiring county boards to publish the assumptions used in creating the financial forecast to allow for improved analysis and comparison across each agency.

Impact

By incorporating additional best practices into the cost projection tool used by county boards of developmental disabilities, DODD will have a better understanding of assumptions used, transparency, comparisons among entities, and clear guidelines and expectations for counties using the tool. Ultimately, the cost projection tool is relatively new and could incorporate improvements that would make it a more effective tool for DODD to monitor the financial health of county boards of developmental disabilities.

Background

Forecasting is typically thought of as an attempt to accurately predict future values; that is, forecasting is more of a technical exercise in which financial preparers aim to predict with minimal error revenue and expenditure line items. However, in public organizations, that is not solely the case. Instead, forecasting serves other ends that are valuable to managers and decision makers.[19] According to the Government Finance Officer Association, the purpose of financial forecasts is a fiscal management tool that can guide policy and programmatic decisions.

Five-Year Projection Tool

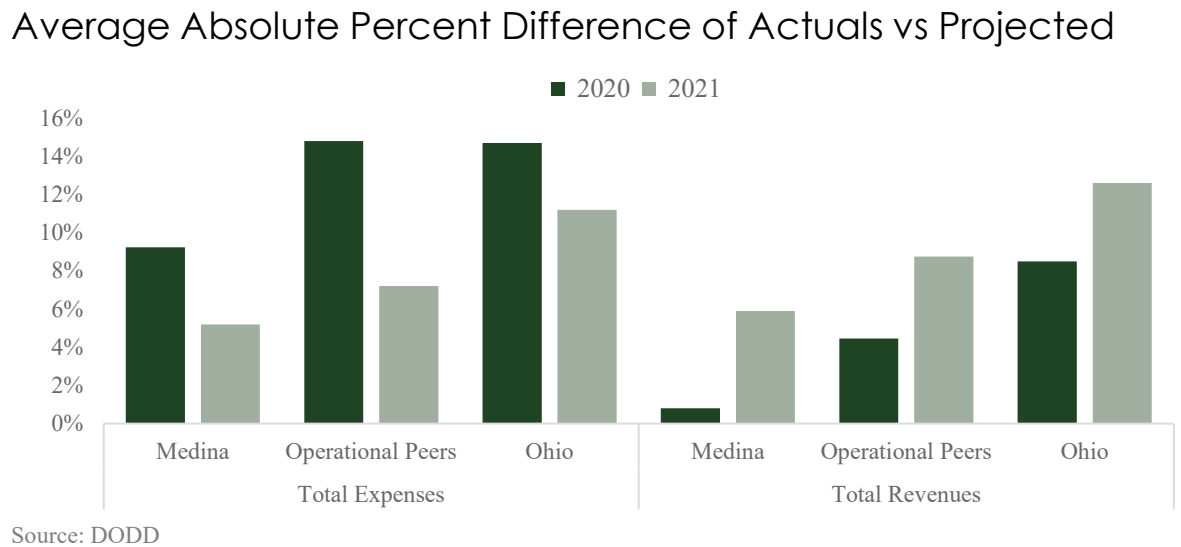
Beginning 2020, county boards of developmental disabilities are required, pursuant to ORC § 5126.053, to submit a five-year projection of revenues and expenditures to DODD on an annual basis. Projections must be approved by the superintendent and are due annually on April 1st. DODD may issue recommendations regarding a county board's fiscal practices or budgetary conditions based on the information provided in the annual projection. Further, while not

[19] The Status of Budget Forecasting. Williams, Daniel W. & Calabrese, Thad D. Journal of Public and Nonprofit Affairs. (2016). 144-145

required, DODD encourages county boards to update projections whenever events take place that may significantly change forecasts.

In order to ensure that projections are submitted in a uniform manner, DODD developed a forecasting tool, County Board Cost Projections (CBCP), that is used by county boards. This tool requires that each county board project expenditures and revenues within the general fund for at least five years and no more than ten years. Total revenues are broken down into seven categories: local tax levies, local revenue other, state revenue DODD, state revenue Ohio Department of Education, state revenue other, federal revenue and miscellaneous revenue. Conversely, total expenditures are broken down into four categories: personnel expenses, locally funded services, waiver match, and other expenses. Demographic information is also projected within the tool such as staff size in terms of full-time equivalent and individuals served by waiver type. Ultimately this is to determine the ending operating cash balance in future years for each county board of developmental disabilities while accounting for the transfer of monies into and/or from optional non-operational accounts.

This tool is relatively new, with the first year of projections occurring in 2020. Although the tool is new, we reviewed available information to determine the accuracy of MCBDD's projections compared to other county boards. We collected all the cost projection reports from 2020 through 2022 for each county board in Ohio. The cost projection reports also contain the actual financial reports from previous years. Our comparison used the actual financial reports from previous years and the projected amounts for those same years to calculate any difference. Using these calculations, we compared the accuracy of MCBDD's projections to those of the Board's operational peers, the Ohio average, and the regional averages of the State. Using the absolute value controls for the direction of the difference. As seen in the chart below, Medina was more accurate, on average, than both operational peers and the state average when forecasting both revenues and expenditures in both 2020 and 2021.

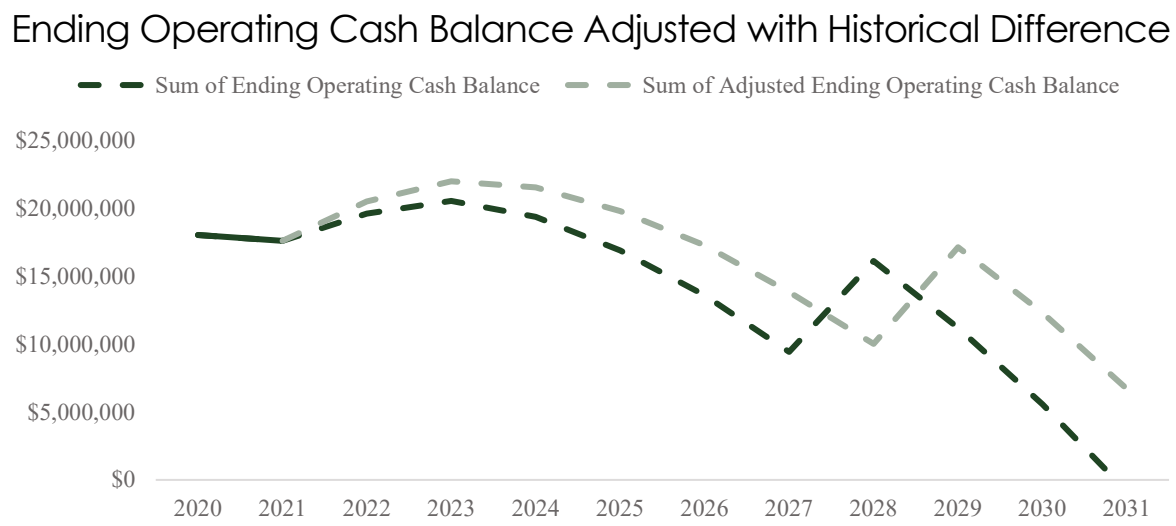


Source: DODD

The Board uses historical expenditure trends to project future expenses. This is in tandem with adjusting for the atypical high expenditures due to COVID-19 during 2020 and 2021. Historically, MCBDD has had conservative financial projections, with revenues generally being higher than forecasted and expenditures generally being lower than forecasted.

While MCBDD outperformed the peers in the past forecast in terms of accuracy, we did not have insight into the assumptions used by each of the operational peers. Our comparison is based on only the projections provided by the county boards and the actual financial data available from each county. DODD does not require county boards to include the assumptions used for projections in the financial forecast document. The lack of published assumptions hinders the ability to analyze the differences among the projections submitted by county boards in a detailed manner. Without these assumptions we were unable to discern the choices being made from year to year by many county boards or understand why county boards made certain choices regarding projections. If DODD required each county board to publish assumptions made in the financial forecast, more detailed comparative analyses could be completed.

MCBDD uses historical expenditure trends to project future expenses, this is in tandem with adjusting for the atypical high expenditures due to COVID-19 during 2020 and 2021. Historically, MCBDD's projected expenditures have been, on average, 7.2 percent higher than the actual expenses for the year. Similarly, MCBDD has historically under projected revenue by 2.5 percent compared to actual revenues in the year. The chart below shows the marginal difference between MCBDD's projection for cash balance and the projection if the historical percent differences found in the analysis were to carry to future years.



Source: DODD

Methodology

After reviewing the available data from forecast submissions, we researched best practices relating to forecasting in order to identify areas for improvement. Because this tool is used by all county boards of developmental disabilities, we directed the recommendation to DODD so that each board could benefit from improvements to how the tool is used. Both the GFOA and other state agencies were used to identify potential best practices.

Analysis

This forecasting process is new to both DODD and the county boards. It was first required in 2020 and DODD is still working to develop the cost projection tool. The projection tool provided by DODD incorporates some best practices related to forecasting. These practices include suggesting county boards make projections for the full ten-year timeframe, provide plans on what is currently fact or for the immediate future, and include notes to explain the context of projections. Additionally, DODD includes various tools to help counties project their financial future including a "levy sandbox" which can be used to show how a passage of a new levy would affect a county and a scenario builder showing best- and worst-case scenarios. It should be noted that DODD does not collect this information from the "levy sandbox" or scenario builder as it is not officially part of the county board's cost projection submission.

While DODD includes some best practices, clearly defined and stated assumptions would improve the forecasts and allow for more complete comparisons between county boards. GFOA does have best practices as it relates to financial forecasting in the budget preparation process. GFOA, in short, recommends, "governments at all levels forecast major revenues and expenditures. The forecast should extend several years into the future. The forecast, along with its underlying assumptions and methodology, should be clearly stated and made available to stakeholders in the budget process. It also should be concisely presented in the final budget document. The forecast should be regularly monitored and periodically updated." More specifically the key steps in forecasting include:

- **Define Assumptions:** Ultimately, the assumptions can reflect the decision by each county board of developmental disabilities of "What is the objective of the government's forecasting policy?" For example, a conservative forecast underestimates revenues and builds in a layer of contingencies for expenditures. This might make it harder to balance the budget but reduces the risk of an actual shortfall. On the other hand, an "objective" forecast seeks to estimate revenues and expenditures as accurately as possible, making it easier to balance the budget, but increasing the risk of an actual shortfall. Therefore, a government should be transparent concerning its own forecasting policy and underlying assumptions."
- **Cleary State Assumptions:** One important factor is the forecaster's credibility. Part of that is making the assumptions clear as well as acknowledging uncertainty around assumptions. This helps decision makers prepare for outcomes that differ from the baseline forecast.

- **Present Clear and Understandable Data:** In terms of the presentation, finance will not be the first language of many audience members. Also, local government revenues and expenditures are often measured in sums that its audience has no practical, real-life experience with; they do not have access to millions of dollars in their personal lives and so forecast numbers are abstract. Therefore, a best practice is to compare revenues to expenditures and reserve levels on a percentage basis. Another way is to make the numbers on a personal scale, such as showing revenues per resident, etc. to where it's appropriate.

The Ohio Department of Education administers public-school five-year forecasts. These forecasts for public schools differ from the current cost projection process for county board of developmental disabilities. Differences include breaking out some expenditures into more manageable line items such as personal expenditures into salaries and benefits since they increase at different rates typically. A major difference is that ODE requires the posting of the assumptions for the line items. Currently, DODD notes the best practice of noting assumptions within the county board cost projection tool but approximately only 30 percent of counties, including MCBDD, input assumptions. Also, this information currently is not all made available for the public for transparency and all the five-year forecasts are made public.

What is included in certain counties is still being refined and standardized across the counties and that should continue to be communicated to all. For example, cost report settlements and/or waiver match reconciliations, depending on the Board, are categorized as either miscellaneous, State, and/or Federal revenue within the CBCP tool. This ultimately does not impact the actuals vs projections comparison as long as the Boards are consistent within their own categorizing. However, this difference in labeling does impact comparisons between county boards of developmental disabilities and their financial projections between categories. To improve the CBCP tool, DODD should continue to communicate expectations regarding the type of information to all counties to ensure uniform comparisons and monitoring of counties.

Conclusion

The new cost projection tool which was developed by DODD is beneficial and will allow county boards to develop financial forecasts in a uniform manner. Because both the cost projection tool and the requirement to develop a financial forecast are relatively new, DODD is still in the process of refining its associated guidance. As DODD continues to refine the cost projection tool, it should incorporate additional best practices from both the GFOA and other state agencies that regularly use forecasting tools, such as ODE. This will allow for improved transparency regarding the financial condition of county boards of developmental disabilities.

Issue for Further Study 1: The Ohio County Commissioners Association Should Work With the Ohio Association of County Boards of Developmental Disabilities and DODD to Seek Interpretation on the Limitation of Non-operational Reserve Balances and Capital Improvement Accounts

County boards of developmental disabilities typically maintain a general fund with several accounts. However, a board may choose to divert some revenue into non-operational accounts that are used for specific purposes.[20] Approximately 57 percent, or 50 out of 88, of county boards maintain a reserve balance account, which is funding set aside to be used for future general operating expenditures and approximately 66 percent, or 58 out of 88, of county boards maintain a capital improvement account, which is used to fund capital expenditures, such as building renovations. County boards may choose to maintain one or both types of non-operating accounts and approximately 43 percent, or 38 out of 88, of county boards – including MCBDD – have both.

The General Assembly updated guidelines in 2019 for these non-operational accounts in the law which governs them. Specifically, ORC § 5705.222 contains language which sets a limit, or cap, on the account balances. For reserve balance accounts, the limit is 40 percent of a county board of developmental disabilities' expenditures for all services in the preceding calendar year. Expenditures for all services, based on one's interpretation could either be all expenditures or limited to general fund operating expenditures. The difference between the two would depend on each county board of developmental disabilities annual appropriations and would likely be due to the determination of whether or not to include capital related expenditures in that amount.[21]

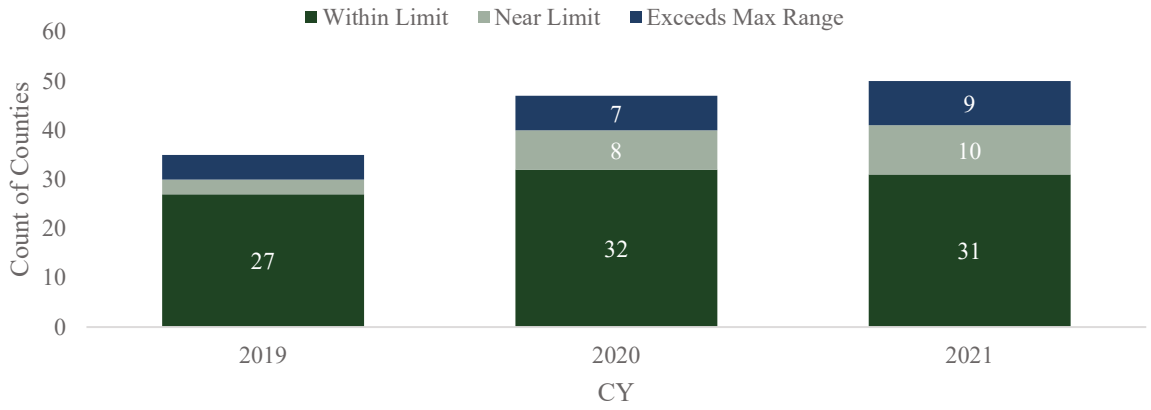
The current language of the law states that expenditures for services should be used to calculate the cap for the reserve balance account. DODD and the MCBDD are not clear about what should be included in this calculation. Therefore, county boards may not be using consistent methods when calculating an appropriate cap for the reserve balance account.

Using the information present within the cost projections and calculating the amount in the reserve account divided by the previous year's expenditures for each county, we attempted to compare the existing fund balances for all county boards of developmental disabilities. A five percent margin was added to the 40 percent threshold to account for counties who interpret the

[20] *See* ORC § 5705.222
[21] ORC 5705.222 allows the county auditor, upon receipt of a resolution from the county board of developmental disabilities, shall establish a capital improvements account or a reserve balance account, or both, as specified in the resolution. The county board of developmental disabilities, within its budget and with the approval of the board of county commissioners through annual appropriations, shall use the proceeds of a levy approved under this section … solely for the purposes authorized by that section or division.

threshold being based on total expenditures and not just general fund expenditures as presented within the cost projection tool. We found that a growing number of counties are estimated to be near or exceed the limit of the reserve balance account size set by the current law. The chart on the following page shows the number of county boards that maintain a reserve balance account and how many of these boards that are approaching or potentially exceeding the statutory fund balance limitations.

Statewide Use of Reserve Balance Account



Source: DODD

Note: Graph does not include counties without a reserve balance account.

We calculated the maximum range by using information available from the cost projection tool. Because this tool may not include all expenditures for a county board and because the guidance of what constitutes annual operating expenditures has not been clearly communicated, we added a 5 percent margin to the available expenditure data for all county boards as a cushion. The chart shows the total number of county boards that maintain a reserve balance which grew between 2019 and 2021 and the number of boards approaching the statutory limit has also grown during this timeframe. Of the 50 county boards with reserve balance accounts in 2021, we calculated that 19 maintained a balance that is near or exceeds a 5 percent margin of the limit, which is an increase of 15 county boards compared to 2019. Notably, MCBDD is one of the counties that would benefit from improved guidance. In 2021, based on general fund expenditures alone it would have exceeded the fund balance limit; however, when including non-general fund expenditures, the Board remained in compliance with the regulation.

Our calculations for this analysis involved taking the value of the reserve balance account as of December 31st in each year and divided that amount by the reported expenditures for the calendar year within the general fund. This is the only calculation available with the information currently available in the cost projection tool. Regardless, there is a growing trend of counties that are in danger of having reserve balance accounts that maintain funds in excess of statutory limitations. Based on our calculation with the available information, of county boards of developmental disabilities with a reserve balance account, the percent of those with amounts near or exceeding the limit has grown from 23 percent to 38 percent from 2019 to 2021.

The same ORC section which sets a limit for reserve balance accounts also identifies a fund balance limit for a capital improvements account. According to ORC § 5705.222, the limit is set at 25 percent of the replacement value for all capital facilities and equipment currently used by the county board of developmental disabilities for programs and services. The monitoring of these account limits for each board would require the replacement value of capital assets to be reported, which is not currently a component of DODD's five-year forecast or county board cost projection tool submissions.

The use of reserve balance accounts and capital improvement accounts is a valuable tool that provides increased transparency regarding the use of funds, but limitations are set on both of these accounts to prevent unnecessary accumulation of reserve funds by county boards. However, without clear guidance, it can be difficult for county boards to ensure that these accounts do not exceed statutory limitations regarding account balances. The Ohio County Commissioners Association should work with the Ohio Association of County Boards of Developmental Disabilities and DODD to seek interpretation regarding the statutory requirements and provide additional guidance to county boards of developmental disabilities on these types of accounts. Communicating clear guidance to all county boards regarding the calculation of these fund balance limits and adapting the CBCP tool to reflect the guidance on these nonoperational accounts would have two benefits. It would allow for more accurate budgeting of a reserve balance and capital improvement account by county boards of developmental disabilities by having a clear understanding of the limit. Also, defining these limits and adapting the CBCP tool would increase the effectiveness of the tool's ability to provide transparency regarding each county's compliance with the limits outlined in law.

Service and Support Administration

Coordinating support services for clients is a core function of all county boards of developmental disabilities in Ohio and required by ORC 5126.15. Known as Service and Support Administration (SSA), this process involves assigning case managers to work as the primary coordinator of services and supports for a client. Services provided through SSA are individualized to the client and are coordinated around the client's Individual Service Plan (ISP).

SSA services must be provided to any individual on a HCBS Medicaid waiver or anyone three years of age or older who has an eligible disability and has requested services. Coordination of support services is done by case managers who are either employed by or contracted under the county board of developmental disabilities. The SSA duties of case managers include all of the following, in accordance with ORC § 5126.15 (B):

SSA Responsibilities

- ☑ Establish eligibility
- ☑ Assess individual needs for services
- ☑ Develop individual service plans
- ☑ Establish budgets for services
- ☑ Assist in making service selections
- ☑ Ensure services are effectively provided
- ☑ Monitor implementation of service plans
- ☑ Amend service plans, when needed

Targeted Case Management

Targeted Case Management (TCM) is the coordination of support services for Medicaid eligible clients. TCM is a subset of SSA, where the time spent can be billed to DODD for partial Medicaid reimbursement. On average, 90 percent of care coordination provided by county boards of developmental disabilities is TCM. Small changes in the cost to provide coordination of support services can have broad impacts on finances and federal funding received. The portion of costs eligible for Medicaid reimbursement are determined through a complex allocation of total SSA expenditures. The allocation uses an efficiency value known as the TCM rate, which compares coordination costs to time on coordination. A lower TCM rate means more support services at a lower cost. TCM rates are averaged statewide to cap the Medicaid reimbursement rate, impacting the federal funding received by each county board of developmental disabilities. The way the formula is constructed allows us to assess the cost components that impact rates and reimbursement, in addition to comparing county board of developmental disabilities efficiency in a key service area.

TCM Rates

The TCM rate is an annual cost per unit measure of service and support efficiency. It compares the portion of coordination costs allocated to TCM to the amount of time recorded with Medicaid clients in the calendar year. One unit of TCM is 15 minutes of SSA services provided for a client

who is on Medicaid. County boards of developmental disabilities follow reporting procedures that result in the ability to calculate these rates.

$$\text{TCM Rate} = \frac{\text{TCM Allocated Costs}}{\text{TCM Units}}$$

$$\text{TCM Allocated Costs} = \left(\frac{\text{TCM Units}}{\text{Allowable SSA Units}}\right) \times \text{SSA Costs}$$

First, case managers record the time spent on care coordination in case notes in a client management software. The case notes that meet Medicaid requirements are translated to units of service. Based on the activities described in the case notes, the time could be categorized as allowable or unallowable. If the time is recorded for a Medicaid client, the units are also considered TCM units. The billable units submitted to DODD through a billing system. Data checks are done to confirm Medicaid eligibility against Ohio Department of Job and Family Services data. The approved TCM units are used in the TCM rate calculation.

The percentage of TCM units, from all allowable units, is the ratio used to distribute expenditures. For example, if 95 percent of a county board of developmental disabilities' allowable units were recorded for Medicaid clients, 95 percent of allowable costs to coordinate support services will be allocated as TCM and billable to DODD. This billable amount is then capped by a per unit ceiling. In Ohio the maximum rate eligible for Medicaid contributions is 112 percent of the state average TCM rate, removing outliers.

Federal Reimbursement

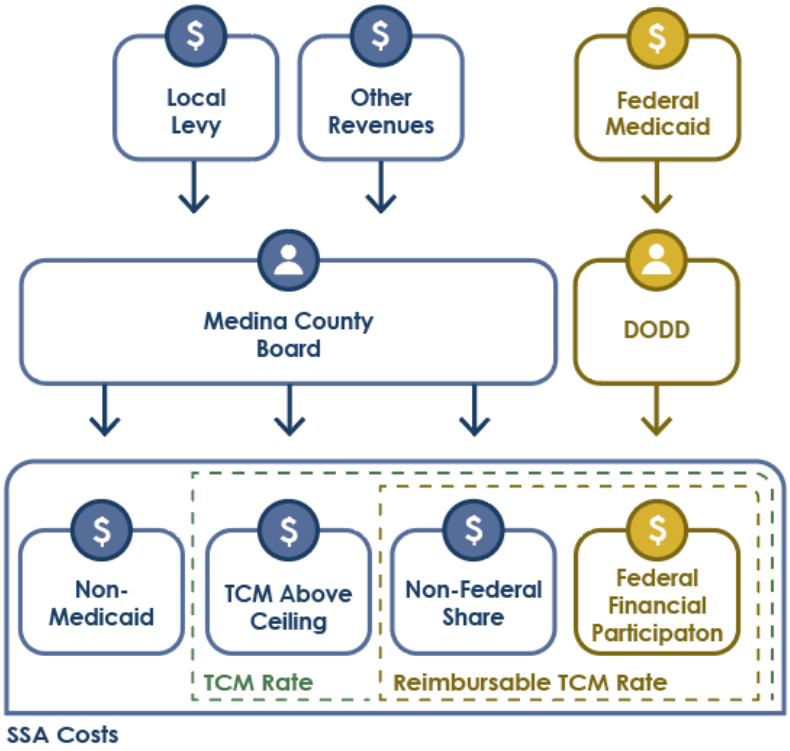
County boards of developmental disabilities pay to provide all SSA services initially. This includes costs which are billable for reimbursement. TCM units are then billed to DODD at a county board of developmental disabilities' TCM rate, up to an interim reimbursement rate. From calendar year 2011 through October of 2016 the interim rate in Ohio was $15.48 per TCM unit, and since the rate has been $19.50 per TCM unit. County boards of developmental disabilities are reimbursed the Federal Financial Participation (FFP) portion of this interim rate each monthly billing cycle. An annual settlement process later determines if a county board of developmental disabilities is owed additional reimbursement.

The settlement process uses final cost reports to determine the difference between actual TCM costs per unit and the interim reimbursement rate already paid. Costs above the interim rate are eligible for partial reimbursement, up to the state ceiling rate. The ceiling, 112 percent of the

state average TCM rate, is also determined using final cost reports. The FFP will be paid for any portion of TCM rates that fall between the interim reimbursement rate and the state ceiling rate.

In Ohio, county boards of developmental disabilities do not receive state funded Medicaid reimbursement for TCM, which means they are responsible for the non-federal share of billable TCM costs as well as SSA costs that are not eligible for reimbursement. See the flow of funding below.

Flow of SSA Funding



FFP Reimbursement Phases

The Federal Financial Participation (FFP) comes in two phases: an interim reimbursement paid monthly at a set rate, and an annual settlement paid after auditing processes to reimburse remaining costs.

What We Looked At

Using cost report data from calendar years 2014-2020 and cost report snapshot details from available years (2016-2020), each acquired from DODD, we assessed TCM rates as well as the expenditures and units involved in TCM rates. Counties were separated into three groups for comparison: MCBDD, Operational Peers, and the overall Ohio average. Initial comparisons were made of TCM rates. Component analyses were then done on the expenditures and units involved in TCM rates to understand how a county board of developmental disabilities compares on the operations impacting this key area of service.

Expenditures were analyzed by each SSA cost category that allocates to the TCM rate: Capital Costs, Indirect Overhead Costs, Program Supervision Costs, Building Services Costs, SSA

Direct Costs, and Home Choice Transition Coordination Costs. This was done to determine if MCBDD expenses are in line with peers and the state average. Due to the magnitude of contribution to TCM costs, Direct SSA Program Costs inputs were additionally analyzed in four components: Employee/Benefits, Service Contracts, COG Expenses, and Other.

Units are the second factor in a TCM rate. They factor directly into the rate as the denominator, and into the allocation of costs for the numerator. We compared SSA and TCM units as well as direct SSA cost per unit to determine if MCBDD is in line with peers. Cost per unit findings led to analyzing current SSA staffing levels and units per case manager for each county, using the most recent staffing and cost report data available. We then reviewed case manager efficiency, which is the county board of developmental disabilities record of TCM chargeability.

Findings from each of these analyses were used to project impact of operational changes on MCBDD's TCM rate. The new TCM rate was used to estimate the cost saving opportunity.

What We Found

Lower TCM rates result in cost savings for a county board of developmental disabilities. When comparing TCM rates, MCBDD has the second highest rate among the operational peers. MCBDD has one area of increased costs and lower overall units that contribute to their high rate.

In 2016, MCBDD had higher total SSA expenditures compared to most operational peers. Between calendar years 2016 and 2020, MCBDD maintained the most consistent total SSA expenditures levels compared to the operational peers, meaning that the Board's expenditures did not significantly increase or decrease during that time period. While MCBDD maintained consistent expenditures, the operational peers have increased expenditures over time and now the Board's total SSA expenditures are in-line with the operational peer group. However, in the underlying cost category of Indirect/Overhead, the Board spends more than most of the operational peers and the peer average. Higher costs in any input to SSA expenditures ultimately raises the TCM rate. MCBDD spends at the peer average or slightly less on other components.

While SSA expenditures are generally in-line with peers, MCBDD records, on average, 133 fewer SSA units per case manager than the operational peers. Fewer recorded SSA units means fewer TCM units, because TCM units are a subset of total SSA units. Having a smaller number of units will raise the TCM rate because the costs associated with those units are being divided over fewer parts. County boards of developmental disabilities ensure all units served are counted by adequately recording case manager time spent on SSA services. At least half of a case manager's available hours should be billable as SSA units, per state recommendation. The rate at which case managers meet this chargeability goal affects the total units. Several case managers at MCBDD record SSA hours below the recommended 50 percent of available time.

Through discussions on TCM reimbursement, we also found that the Medicaid settlement payments lag 3 to 5 years beyond the close of a calendar year. The last Medicaid Cost Report Settlement payment for TCM was paid in 2021 for calendar years 2017 and 2018, combined. The

FFP portion of interim reimbursements are paid monthly, as anticipated. If a county board of developmental disabilities is owed reimbursement beyond the interim rate it will not be received until the settlement process is complete. Irregular reimbursement schedules create budgeting challenges for county boards of developmental disabilities and interrupt the feedback loop of reducing TCM rates for cost savings.

Recommendation 3: Reduce TCM Rate

The Board's Targeted Case Management (TCM) rate is high among operational peers, which leads to more cost responsibility for the county board of developmental disabilities. MCBDD should reduce TCM rate by reducing Indirect/Overhead General Expenses and by increasing recorded SSA units per case manager, each to the peer average values.

Impact

Lowering TCM rate reduces costs for a county board of developmental disabilities. Specifically, for MCBDD the TCM rate can be reduced to be more in-line with operational peers, well below the state reimbursement cap. MCBDD would no longer pay portions of TCM costs that are ineligible for partial Medicaid reimbursement. The impact of reducing Indirect/Overhead costs to the peer average can save MCBDD $0.61 per TCM unit. The impact of increasing SSA units to the peer average can save MCBDD $0.68 per TCM unit. The combined impact can save MCBDD $1.27 per TCM unit, which equates to over $92,000 annually. Reducing the TCM rate will also reduce the amount of reimbursement MCBDD is waiting for in settlement, allowing for more accurate budgeting (See **Issue For Further Study 2**).

Background

TCM Rate

TCM rates in Ohio have increased slightly since 2014. The state average increased from $25.99 in 2014 to $32.14 in 2020. In 2015 the reimbursement model changed from a flat rate to the state average TCM calculation presented in this audit. In 2017 the interim reimbursement rate increased from $15.48 to $19.50. A county board of developmental disabilities' TCM rate has individual funding implications as well as impact on the statewide reimbursement cap.

Unit Conversion

For the purposes of TCM rate calculation, a unit is 15 minutes of SSA services. An SSA unit is also a TCM unit when the client is on Medicaid. Units impact the TCM rate directly, as the denominator, and indirectly in the calculation to allocate costs to TCM. As a result, accuracy in capturing time spent on SSA is important. For this reason, MCBDD has made continuous effort in guiding new employees on case note documentation. New staff shadow peer mentors with a history of proper documentation. Managers have conversations on best practices with case managers showing a low rate of documentation efficiency. The training and oversite of proper documentation is a responsibility of the county boards of developmental disabilities. The last state guidance issued on case note documentation was updated in 2017.

To record eligible time as SSA units or TCM units, case notes must meet the requirements stated in OAC 5160-48-01. If time is not recorded properly, it will not count towards SSA units.

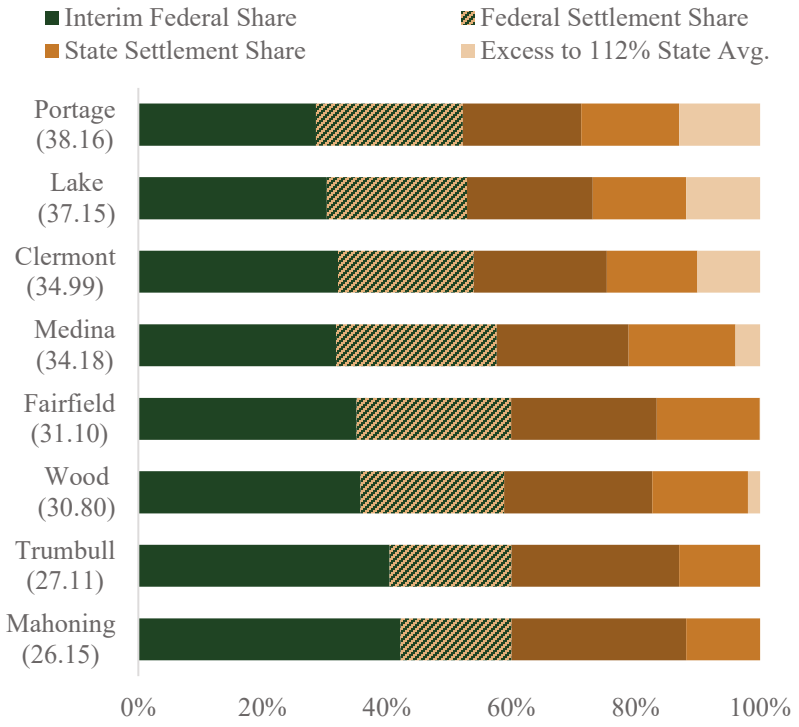
Case Note Unit Requirements

- ☑ Date of activity, including year
- ☑ Name of client
- ☑ Description of the activity provided
- ☑ Location of the activity provided
- ☑ Duration in minutes or time in/out
- ☑ Identification of the activity provider
- ☑ Provider name, title, signature, initials

Targeted Case Management Reimbursement

Reimbursement is paid in two phases. An initial reimbursement is made monthly at a flat rate. Each month, county boards of developmental disabilities receive the FFP portion, which is approximately 60 percent, of the TCM costs billed to DODD, up to the interim rate. An annual settlement process then determines, for each county board of developmental disabilities, the difference between the interim pay and actual TCM costs, up to the state reimbursement cap. The federal government contributes to the settlement phase of the reimbursement at the FFP rate as well. Any TCM cost that exceeds the state reimbursement cap do not have a FFP contribution. In the chart on the following page, displaying average TCM costs from 2014-2020, a county board of developmental disabilities will be responsible for a greater share of TCM costs the more a TCM rate exceeds the state reimbursement cap. MCBDD's TCM rate was consistently close to the reimbursement cap and exceeded the cap in multiple years.

2014-2020 Average Share of TCM Rate Costs by Reimbursement Phase



The solid green and shaded green portion of the bars to the right represent the amount of federal reimbursement received by the county board, which can be up to 60 percent of TCM costs. The darker red colors represent the "state share" of TCM costs, which are paid by the county boards using local revenues, if a county is maximizing federal funding opportunities, these two bars will represent close to 40 percent of TCM costs.

The peach color at the far right of the bar represents additional costs to the county boards that have TCM rates exceeding the state average. These county boards, like MCBDD, have had federal funding capped and are therefore paying for more than 40 percent of TCM costs.

Source: Cost Reports

Note: Using 60 percent for Federal Share as conservative estimate; Exhibit 6 FMAPs

Methodology

We obtained the Cost Reports for each of the Ohio county boards of developmental disabilities from 2014 to 2020 and Cost Report Snapshots on expenditures and statistics for each of the operational peer counties from 2016 to 2020, the years available. These reports include TCM rate, Total SSA Costs, Allocated TCM Costs, and the breakdown of SSA units to TCM units. Initial comparisons of TCM rates were made between MCBDD, operational peers, the operational peer average, and the state average.

After deconstructing the TCM rate formula using a cost report with embedded calculations, we compared MCBDD to the operational peers on the expenditures that impact the TCM rate – which are Total SSA Costs and its component cost categories: Capital, Building Services, Program Supervision, Indirect/Overhead, Home Choice Transition Coordination, and Direct SSA Costs. The component categories were analyzed on actual cost and proportion of Total SSA Costs to normalize operation size.

Both TCM unit and SSA unit levels were compared among the operational peer group. We also compared the true cost of care coordination services by looking at Direct SSA Costs per all recorded SSA units for each of the operational peers. This led to assessment of MCBDD's case manager staffing levels, salaries, and workload reporting efficiency to find the cause of MCBDD's high cost of care. Finally, an impact analysis was done to project the impact of changes on TCM rate, position among peers, and costs associated with SSA.

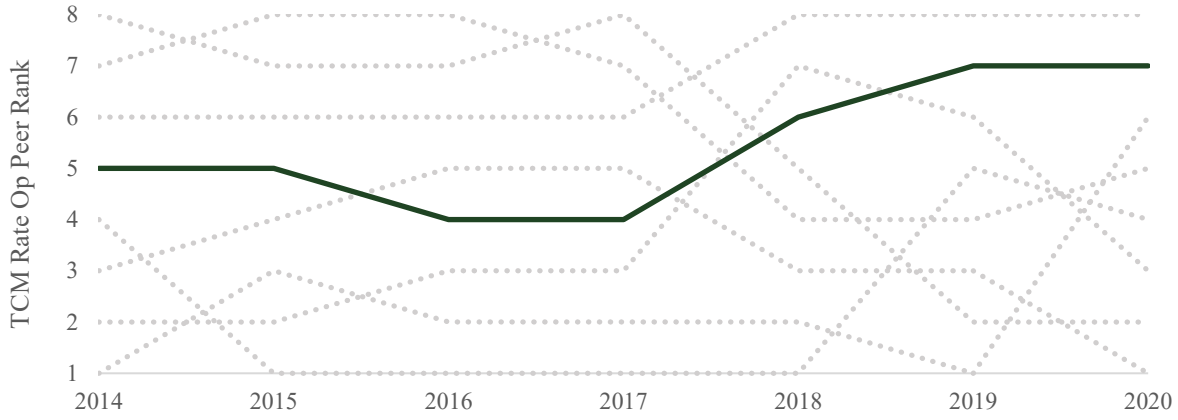
Analysis

MCBDD and Operational Peers

As discussed previously, county boards receive a partial reimbursement for approved SSA activities from Medicaid. The amount that is reimbursed is based on the statewide average TCM rate, and county boards in Ohio are responsible for 100 percent of expenditures that exceed the federal Medicaid reimbursement rate. This means that if a county board has a higher rate and exceeds the statewide average, it will have an increasingly higher cost responsibility. As a result, it is best to keep TCM rate low and average compared to county boards of developmental disabilities of similar operation size.

To compare TCM rate movement among peers we ranked the counties from lowest (1) to highest (8) TCM rate, then charted ranks over the cost report years. MCBDD was trending in the central positions until 2017 and has since increased to the second highest TCM rate among operational peers at $37.26/TCM unit in 2020. Since 2018, MCBDD's TCM rate has averaged $4.10/TCM unit higher than the peer average TCM rate. This becomes significant when MCBDD bills, on average, 73,276 TCM units each year.

TCM Rate Rank Among Operational Peers



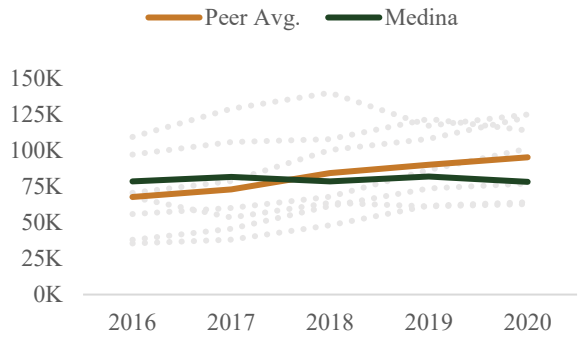
Source: Cost Reports

Note: Ranked Lowest TCM Rate (1) to Highest TCM Rate (8)

Naturally, as TCM services are a subcategory of SSA services, the costs allocated with TCM rate are Total SSA Costs. Looking at the total expenses MCBDD has been in line with operational peers since 2018, spending an average of $2,780,000 compared to the peer average of $2,611,500. It should be noted that the operational peer group exceeds the state average by approximately $400K, which is expected based on the operational size of this group exceeding that of the statewide average.

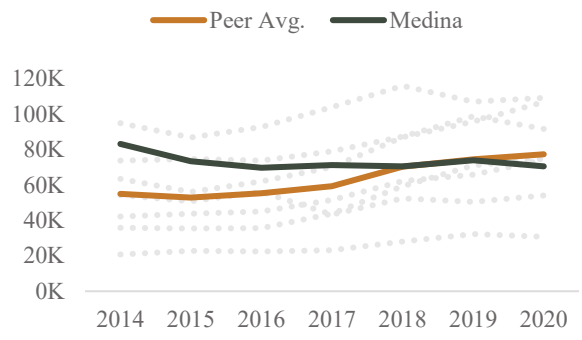
We compared both the number of SSA units and TCM units among operational peers for 2014-2020. Comparing all SSA units describes the workload being recorded by case managers, while TCM units describes the workload being billed to Medicaid for partial reimbursement. A high TCM rate can be influenced by low units or a rising portion of non-Medicaid clients. In general, MCBDD's SSA units and TCM units have been decreasing slightly while peers' units have been increasing. The proportion of TCM units to SSA units has remained steady in all of the operational peers and MCBDD.

All SSA Units



Source: Cost Report Statistics Snapshots

TCM Units

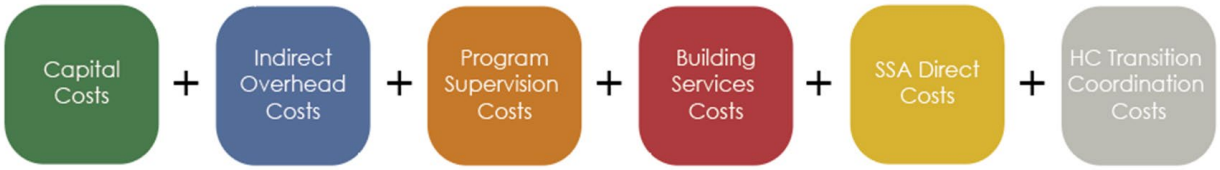


Source: Cost Report Statistics Snapshots

Because MCBDD and the operational peers have similar total SSA expenditures and MCBDD has held cost consistent, the Board's decline in SSA units results in an increase in TCM rate. A higher TCM rate leads to more cost responsibility and higher dependency on reimbursements through Medicaid settlement. Operational peers are not experiencing a similar increase in rate because costs and units are both rising.

Expenditures Impacting TCM Rate

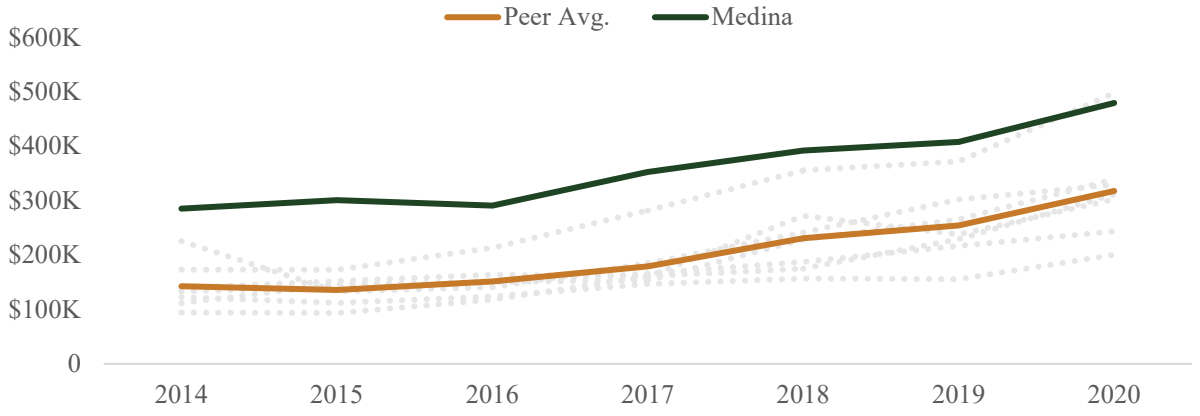
Though MCBDD's overall SSA costs are in line with peers, a reduction in any sub-category of costs would still produce savings. We analyzed the component parts of Total SSA Costs to determine if MCBDD's spending is in line with peers in all cost areas of the SSA program: Capital, Building Services, Program Supervision, Indirect/Overhead, Direct SSA Costs, and Home Choice Transition Coordination.



To account for size differences among operational peers, we compared the cost categories as a percentage of Total SSA Costs. MCBDD's proportion of spending is in line with peers in all cost categories except for SSA Indirect/Overhead. We further analyzed this cost category for potential savings. The Direct SSA Costs category consumes 85 percent of Total SSA Costs for the typical Ohio county board of developmental disabilities, therefore, we analyzed this area in four smaller component parts: Salaries and Benefits, Service Contracts, COG Expenses, and Other. To see details on Capital, Building Services, Program Supervision, and Home Choice Transition Coordination see Appendix C.

Compared to the operational peers, MCBDD spends 2.5 percent more of Total SSA Costs on Indirect/Overhead. MCBDD's SSA allocation of Indirect/Overhead costs averages $359,000, which is 78 percent higher than the peer average of $202,000. MCBDD consistently has an average percentage of costs allocated to this program compared to peers. To neutralize the peer variation in of percent allocated to this program we compared the base expense of Indirect/Overhead General Expenses. Indirect/Overhead General Expenses are salaries and benefits, service contracts, other expenses, and allocations of capital and building services that cannot be assigned to one program, these may be administrative or oversight functions. The Board's Indirect/Overhead General Expenses, across all programs, when normalized by client population, are 27 percent higher than the operational peer average. MCBDD's Indirect/Overhead General Expenses were $2,598,631 in 2021, while the peer average was $1,985,200. Reducing the base cost in this area, to the peer average Indirect/Overhead General Expense per client, would reduce the TCM rate by $1.54, saving the Board $0.61 per TCM unit after reimbursement.

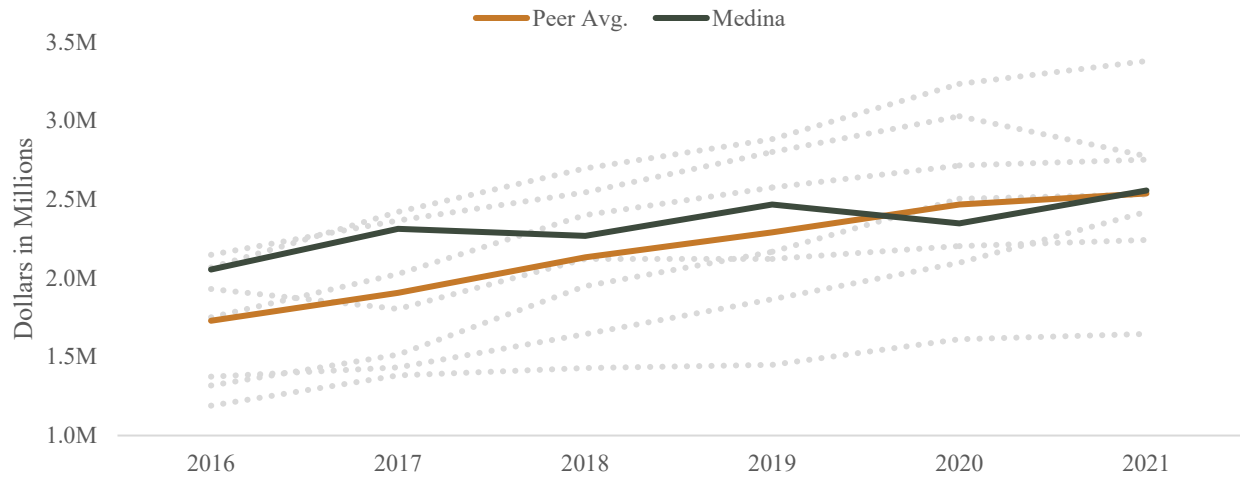
Indirect/Overhead Allocated to SSA



Source: Cost Report Expense Snapshots

Looking at the largest cost category in the total SSA expenditures, MCBDD's Direct SSA Costs align with the operational peer average. Due to the size, we assessed this cost category in smaller portions: SSA Salaries and Benefits, SSA Contracted Services, SSA Cog Expenses, and SSA Other. MCBDD was previously at the top of the peer range for SSA Salaries and Benefits, however, costs have converged to the peer average since 2020. The Board has been spending at or below the peer average in other Direct SSA Cost areas. For details on the breakdown of Direct SSA Costs see Appendix C.

Salaries and Benefits: Direct SSA Cost



Source: Cost Report Expenditures Snapshots

Because of the way SSA cost categories are coded in the data, we are able to compare the direct cost of SSA per unit, irrespective of client Medicaid status and other program expenses. To do this, Direct SSA Costs were divided by all SSA units for each operational peer. This comparison shows MCBDD's high TCM rate is not only caused by elevated Indirect/Overhead General Expenses. The Board's SSA services cost over $2 more per SSA unit than the peer average, without indirect costs. This means MCBDD's low SSA units are a key contributing factor to a high TCM rate among peers.

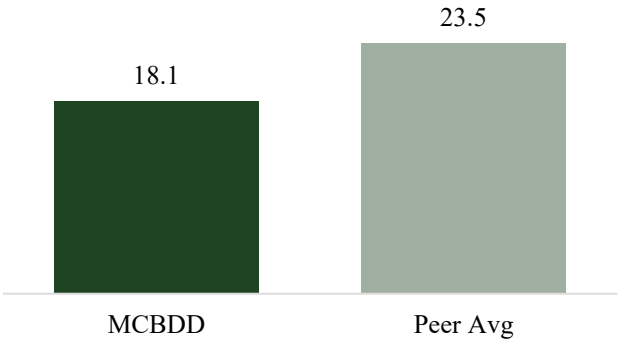
Chargeability Impacting TCM Rate

Because SSA units depend on accurate documentation by case managers we analyzed case manager staffing levels and chargeability. This was done to identify the source of MCBDD's decreasing SSA units.

On staffing levels, when normalizing for client population, we found MCBDD's staffs 5.5 fewer case managers than the operational peer average. To see the SSA staff groupings and comparison

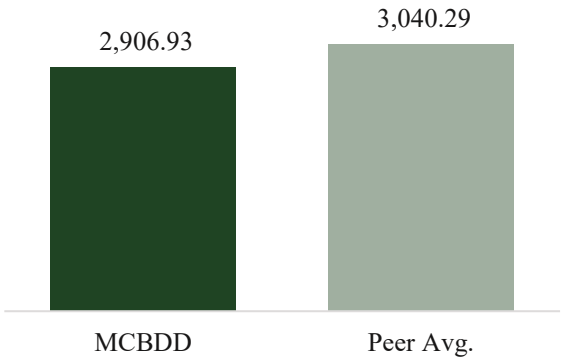
of other SSA positions see Appendix C. The case managers at MCBDD also record 133 fewer SSA units per case manager than the peer average. This means MCBDD has fewer staff who are also recording fewer units each.

SSA Case Managers per 1,000 Client Staffing Levels



Source: MCBDD and Peer Rosters

SSA Units per Case Manager



Source: MCBDD and Peer Rosters & Cost Report Statistics Snapshots

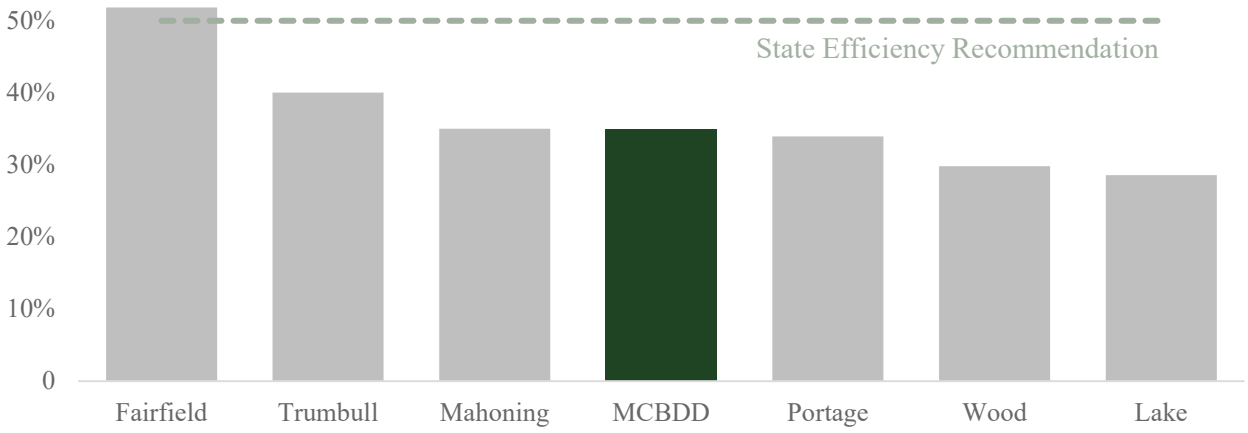
Not all time spent on coordination of care is recorded sufficiently to qualify as SSA units. The rate of a case manager's time that is chargeable as SSA units is known as efficiency by county boards of developmental disabilities. When calculating efficiency, the state recommends dividing the time converted into SSA units by all available time, subtracting time off from available hours. This calculation should be run for each case manager.

$$\text{Efficiency} = \frac{\text{SSA Units as Minutes}}{\text{All Available Minutes} - \text{Time Off}}$$

The state recommends that each case manager's efficiency is above 50 percent, meaning more than half of a case manager's time should be properly recorded SSA units. The remaining time may be general tasks that are not specific to a client (administration, training, non-client specific research) or SSA time that would qualify for units if sufficiently recorded.

We estimated the average efficiency rating for each of the peer counties based on total SSA units and the staffing data available. This calculation would typically be done on an employee basis and factor in time off. Our estimate of available time, instead, uses the number of case managers in a roster and a standard 2,080 hour work year. MCBDD has a slightly lower efficiency than the peer average, however, only one operational peer exceeds an average of 50 percent.

Estimated Case Manager Efficiency



Source: Cost Report Statistics Snapshots & MCBDD and Peer Rosters

We also looked at the internal efficiency report of MCBDD which allows us to calculate a per employee efficiency and remove time off for precise available hours. For this analysis we removed 3 case managers with atypical caseloads, denoted with an Information and Referral (I&R) role by MCBDD, leaving 26 case managers in the analysis.

Of Medina's case managers, 59 percent are meeting the state recommendation of more than 50 percent available time being recorded as SSA units. The rate of case managers meeting the efficiency goal is lower for new employees and senior employees, despite senior employees having a higher average efficiency.

MCBDD Internal Case Manager Efficiencies by Staff Longevity

Longevity	Average	Meet Goal
All Time	46%	59%
0-2 Years	27%	0%
3-10 Years	52%	89%
10+	61%	62%

Source: MCBDD internal efficiency report, for Jan-Oct 2022

We asked MCBDD for a breakdown of how uncharged time is spent by case managers and found that internal controls around the time tracking process are poorly designed and lead to a reduced ability to ascertain employee workload and billable time. Without specific data on the use of each case managers' time and associated internal controls to track time not billed to DODD, the Board is not able to fully understand the cause of low efficiency among case managers or determine the number of units lost to inadequate documentation of SSA services.

Impact on TCM Rate

Using peer average values and 2021 TCM rate inputs, we projected impacts on TCM rate and found that the Board can reduce the TCM rate 8 percent by reducing Indirect/Overhead General Expenses and by increasing the number of SSA units per case manager, each to the operational peer averages.

When calculating impact, we held all TCM rate inputs at the 2021 value, except for the value being tested for impact. The SSA units per case manager were adjusted to the 2021 peer average, excluding Clermont from the calculation due to not having an SSA roster count for this peer. The Indirect/Overhead value was adjusted to the 2021 peer average Indirect/Overhead General Expense per Client, to normalize the expense category around operation size. Details of the calculation can be found in Appendix C. The net effect of bringing Indirect/Overhead General Expenses and SSA units per case manager to the peer average values would reduce MCBDD's TCM rate by $3.17 per TCM unit.

Internal Controls in Performance Audits

Internal controls in performance audits refer to plans, policies, procedures and actions that help an organization achieve its goals, objectives, mission and/or legislative intent. These differ from the narrow definition of internal controls used in financial audits and can be wide ranging and encompass a broad range of activities. In performance audits, we look at both the design of the controls and how those controls function within the organization.

Some examples of organizations' internal controls that might be examined in a performance audit include outcome metrics, program protocols, time and productivity tracking, and methods of measuring customer satisfaction.

Organizations with strong internal controls have a greater likelihood of meeting their objectives and desired outcomes. On the other hand, organizations with weak, faulty, poorly designed or nonexistent internal controls may struggle to meet basic program outcomes.

Taking FFP reimbursement into account, we were able to estimate MCBDD's share of the projected TCM rate. We compared this to the share of cost responsibility the Board had with the 2021 TCM rate to quantify cost saving opportunity. As a result, after full reimbursement, MCBDD would spend $1.27 less per TCM unit. This equates to a saving opportunity of $92,911 annually, using MCBDD's average number of TCM units. The magnitude of savings will vary

based on the state average TCM rate each year, but a lower TCM rate will always produce cost savings and a reduction of deferred reimbursement.

Conclusion

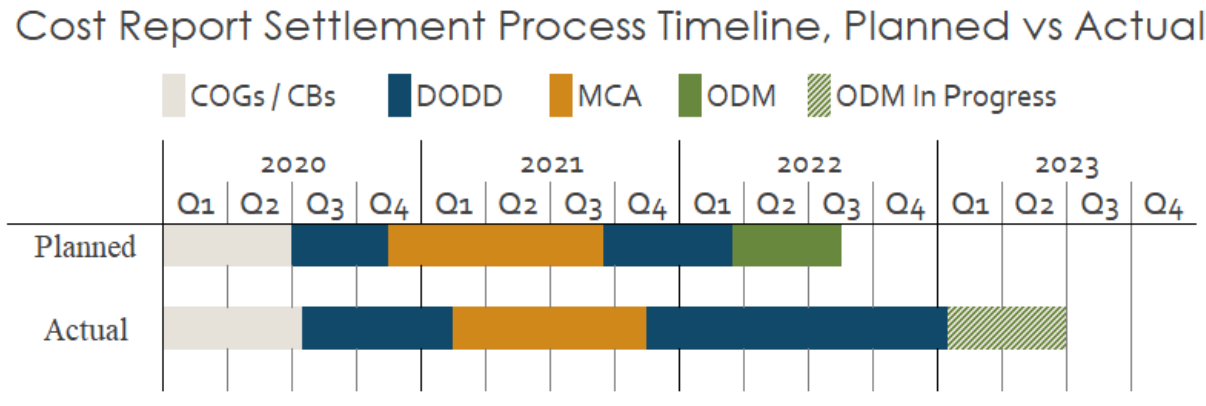
MCBDD should reduce TCM rate to experience cost savings. The lower TCM rate will yield cost savings around $92K annually, depending on the average state TCM rate in a given year.

Issue for Further Study 2: DODD should assess the Cost Report Settlement process for time savings so county boards of developmental disabilities are reimbursed in a timely manner.

TCM costs are partially reimbursed through Medicaid. The reimbursement is delivered in two phases, a monthly interim rate, and a final cost report settlement, which is processed after the end of the calendar year. Through conversations with MCBDD we found that cost report settlement payments are not received until 3 to 5 years after the calendar year closes. A payment delay interrupts the natural feedback loop of lowering TCM rates, and inconsistent payment timing creates budgeting challenges for county boards of developmental disabilities.

The last payment made to Ohio county boards of developmental disabilities was paid in April of 2021 for the 2017 and 2018 cost reports. For MCBDD, this payment was $2.7 million dollars, which amounted to 11 percent of total revenue for the year. DODD has indicated that it expects to process payments for 2019 and 2020 sometime during 2023. Paying more than one settlement is atypical and being done as an effort to reduce payment backlogs. MCBDD estimates each settlement will be $800,000 to $900,000 for the Board. A single payment would amount to 3 to 4 percent MCBDD's projected 2023 total revenue.

DODD is the owner of the settlement process (which is dictated by federal program requirements); however, aspects of the process are contracted out to the Auditor of State's Medicaid Contract Audit (MCA) unit, and flow through the Ohio Department of Medicaid (ODM) for funding approval. DODD and MCA provided an ideal process timeline and actual timing examples from the 2019 and 2020 cost report settlements. These cost reports were in progress at the time of the audit and are expected to be paid in calendar year 2023. Comparing the actual timelines to the ideal process, gaps were identified in two areas of the settlement process under DODD's responsibility: finalizing desk review after county board of developmental disability cost report adjustments and finalizing settlement values after receiving MCA audits.



Efficient • Effective • Transparent

When discussing delays, DODD acknowledged a history of delays and noted previous staffing shortages at DODD, and low staffing in the other entities involved in settlement. DODD had recently hired to fully staff the team that processes settlements and predict this change will reduce delays. Workload conflicts are another barrier that specifically delay the cost report settlement. A lack of codified deadlines leads to de-prioritization of this settlement process among a full DODD workload. The majority of delays are experienced during fourth quarters when other reporting and settlement processes have mandatory year-end deadlines.

The barriers begin to address gaps between the planned timeline and actual dates of process completion; however, the planned timeline is still a 2.5 year process. We did not assess the reasonableness of the planned timeline or seek efficiencies in the settlement process that could lead to more timely payments for county boards of developmental disabilities. Timely payments would simplify budgeting and cost projections, as well as support a natural feedback loop encouraging lower TCM rates across the state.

Human Resources

Human resources (HR) expenditures are generally one of the more costly areas of any entity. Individuals who are hired require training, salaries, benefits, paid time off, and other forms of compensation. With the limited resources county boards of developmental disabilities have, it is crucial that staffing levels are adequate, salaries and benefits are appropriate, and the staffing outcomes are efficient. When seeking to increase operational efficiency and reduce expenditures, staffing is oftentimes an area where changes can be made. County boards of developmental disabilities have the responsibility of offering and coordinating a wide variety of services which require numerous staff with varying backgrounds.

What We Looked At

There were four areas within HR that we analyzed for opportunities of improved efficiency and appropriate use of resources: insurance premiums, collective bargaining agreement (CBAs) provisions, staffing levels, and staff salaries. We compared insurance premiums for health, prescriptions, dental, and vision among peers and performed a financial impact analysis for any changes that MCBDD could take regarding insurance premiums. We compared the CBA provisions within the two CBA contracts at MCBDD to local peers. Finally, we compared the staffing levels and salary levels by positions or groups to peers.

What We Found

MCBDD has over 130 employees staffing over 60 unique positions. Positions related to SSAs and education are the majority of the staff positions. Using a survey that is sent out by the Ohio Association of County Boards of Developmental Disabilities (OACBDD) regarding salary information, we compared MCBDD's average salary for each position to the peer salary ranges for each position.[22] We found the average salary of MCBDD to be within the range of salaries for peer salaries by position. With MCBDD transitioning to conflict-free case management, staffing levels in specific positions will either need to increase or decrease based on the relative needs of the clients the county serves. MCBDD should continue to

Windfall School

Medina County Board of Developmental Disabilities operates a school called the Windfall School. Windfall School is a specialized school with classrooms for students with multiple disabilities and classrooms serving students on the autism spectrum. 45 of 88 county boards operate schools. All the operational peers selected operate schools. For students who have an Individualized Education Program (IEP), placement into schools run by county boards is determined as part of the student's annual IEP meeting. Students who do not utilize an opportunity to be placed in a county board school, or those who reside in a county without a county board school, are served in their local school district or private school.

[22] OACBDD is a non-profit that offers advocacy, communications, technology assistance, and professional development to all of Ohio's county boards of developmental disabilities.

monitor the appropriateness of their positions as this transition finalizes in 2024. We also compared MCBDD's CBA provisions to local peers. We found that MCBDD has two CBAs and that the provisions within the CBAs were comparable to peers. Finally, we reviewed the insurance plan options for MCBDD staff. We found that MCBDD insurance premiums are generally more costly compared to the peer averages.

Recommendation 4: Consider Alternative Insurance Plan Options

MCBDD spends more on health insurance premiums for its employees compared to its regional peers. The Board has regularly reviewed insurance options to determine if it can reduce expenditures in this area but has determined that the existing insurance structure best fits its needs. MCBDD should continue to regularly review options to reduce insurance related expenditures which could include seeking out alternative plans, moving employees to a lower cost plan currently offered by the Board, or raising the employee share of premium costs.

Impact

If MCBDD were able to reduce their monthly premium contributions for their health insurance plans and dental plan to the peer average, the county board would reduce expenditures and result in average annual savings of approximately $446,000 in health insurance premiums and $67,000 for dental insurance premiums. Another option the Board could consider is reducing the number of health insurance plans to one and shift employees to the less expensive plan, the estimated annual financial impact would be approximately $383,000.

Background

MCBDD is part of the Medina County Commissioner's PPO insurance plan. While they are a part of the county commissioner's plan, MCBDD can address the amount of the employer-portion of the premiums and aspects of coverage, but this must be done through the CBA process. In previous years, MCBDD has researched the financial implications of leaving the county commissioner's plan and possibly joining a consortium for better coverage or lower expenses; however, MCBDD has found that due to their claim's history, staying with the county commissioner's plan is their most affordable option.

MCBDD offers two PPO health insurance plans, Plan 1 and Plan 2. Both plans have four coverage options: single, single & child, single & spouse, and family. Additionally, MCBDD offers one dental plan with the same four coverage options as the health insurance plans. At the time of the analysis, MCBDD has 55 employees in Plan 1 and 89 employees in Plan 2. Plan 1, relative to Plan 2, has higher premiums and more generous benefits such as lower out of pocket expenses.

Methodology

We compared MCBDD's insurance provisions and costs to the SERB regional peer average for county commissioners. Peer information was obtained through the FY 2022 SERB survey. We calculated the financial impact of reducing MCBDD's premiums costs to the regional county commissioner peer average and the financial impact of moving all employees to Plan 2, which is the less expensive plan for MCBDD.

Analysis

MCBDD has two health plans that employees can choose to join. Plan 1 currently covers 55 employees with a total monthly expense of approximately $83,000 while Plan 2 covers 89 employees and has a total monthly expense of approximately $100,000. For the County, Plan 1 premium costs are approximately 61.8 percent higher than the peer average, while Plan 2 premium costs are approximately 5.1 percent higher than the peer average. If MCBDD were to decrease their monthly expense for Plan 1 and Plan 2 to peer average, this would result in an approximate annual cost savings of $384,000 and $62,000 for Plan 1 and Plan 2 respectively, for a total annual cost savings of $466,000.

In addition to health insurance, MCBDD offers one dental plan with the same four coverage options as the health insurance plans. Currently, MCBDD spends approximately $8,500 a month on dental insurance premiums to cover 131 employees which equates to approximately $102,000 annually. This annual cost is 170 percent higher than the annual peer average cost of approximately $34,000. Reducing dental insurance premiums to the peer average would equate to an annual cost savings of approximately $64,000.

Health Insurance Plan Designs

MCBDD has health insurance coverage options in four areas under Plan 1 that are more generous compared to peers. These areas are Copayments, Deductibles, Out-of-Pocket Maximums and Coinsurance Coverage which is shown in the table below.

Plan 1 Health Insurance Design

Plan Design Area	MCBDD	Peer Average
Copayment – Office Visits	$15.00	$19.38
Copayment – Urgent Care	$15.00	$41.88
Deductible – Single	$400.00	$582.00
Deductible – Family	$800.00	$1,164.00
Out-of-Pocket Max. – Single	$2,000.00	$2,786.00
Out-of-Pocket Max. – Family	$4,000.00	$5,573.00
Coinsurance – Office Visit	100%	58%
Coinsurance – Urgent Care	100%	76%

Source: MCBDD and SERB

Under Plan 2, Copayments and Out-of-Pocket Maximums are the only two coverage areas that are considered more generous compared to peer averages. These comparisons are also shown in the table on the following page.

Plan 2 Health Insurance Design

Plan Design Area	MCBDD	Peer Average
Copayments – Urgent Care	$25.00	$41.88
Out-of-Pocket Max. – Single	$2,500.00	$2,786.00
Out-of-Pocket Max. – Family	$5,000.00	$5,573.00

Source: MCBDD and SERB

Health Insurance Plan Shift

One way that MCBDD would be able to reduce their expenses on health insurance premiums is by eliminating the more expensive plan and shifting employees to just one of the health insurance plan options. For MCBDD this would mean shifting employees to Plan 2 and eliminating Plan 1. If all employees were on Plan 2, the monthly cost would be approximately $152,000 or a reduction in costs of nearly $32,000.[23] On an annual basis, this would result in an annual financial impact of $383,000.

Health Insurance Plan Shift Costs

Plan Design	MCBDD Monthly Cost	MCBDD Yearly Cost
Plan 1 & Plan 2	$184,000	$2,208,000
Only Plan 2	$152,000	$1,824,000

Source: MCBDD and SERB

Conclusion

While MCBDD has reviewed its options for alternative insurance plans in the past, MCBDD should continue to look for more affordable options that will bring them to alignment with regional county commissioner peer averages. Additionally, if MCBDD were to eliminate Plan 1, this would result in a potential financial impact of $383,000. Although impact cannot be quantified, reduction of employee benefit costs would also reduce the staffing costs associated with SSA, and therefore reduce the TCM rate.

Due to reductions in staffing during the course of the audit, the financial savings that can be achieved by implementing this recommendation will likely be reduced.

[23] Estimated savings are based on the current premium costs and does not account for shifts in costs due to historical claims.

Recommendation 5: Monitor Staffing Levels During Transition to Conflict-Free Case Management Model

As previously discussed, MCBDD must change how services are provided due to changes in federal law and a focus on conflict-free case management practices. During this transition, the Board may determine that it requires fewer positions to carry out core functions. MCBDD should continue monitoring staffing levels to ensure that it is able to continue to provide appropriate services to its clients at an efficient level.

Impact

Continuing to monitor the staffing levels of MCBDD could result in future financial savings and increased efficiency while transitioning to conflict-free case management.

Background

As discussed previously, MCBDD has over 130 staff members that cover more than 60 job titles. As the County transitions to conflict-free case management, MCBDD may need to alter their current staffing needs to remain appropriately staffed and efficient. ORC requires that all county boards have specific positions such as a superintendent[24] or investigative agent;[25] however, it is up to the Board to determine the positions that are needed to effectively provide services.

County boards of developmental disabilities are intended to provide services to their local community and require staffing based on the needs of their clients. While overall the county boards conduct similar services and coordination, there are differences in position titles and responsibilities. For analysis purposes, we grouped similar types of positions together based on their position responsibilities and clientele. For example, while individuals who prepare or serve food at a school may have different position titles, collectively they would be grouped under Food Services. It should be noted, given the nature of county boards of development disabilities, some may offer unique services based on individual client needs; as such, it is difficult to conduct analysis on a position-by-position basis. However, the analysis that was conducted provides insights into the board's overall staffing trends and will assist in future personnel decision making.

The operational peers that were selected can be found in **Appendix A**. As it relates to this recommendation, the operational peers were selected because they have similar total clients and operate schools. Specific position groupings within the analysis below attempt to accurately capture the positions that operate within each county's board of developmental disabilities school. Two position groupings that are used in this section that are related to school aged children are Early Intervention and Education. Early Intervention positions generally interact with clients aged

[24] ORC § 5126.0219
[25] ORC § 5126.221

0 through 2 while Education positions generally interact with clients aged 3 through 21. The positions under these two groups are not necessarily limited to each county's operating school but includes the positions that have similar clientele as it relates to their ages. Additionally, there is considerable variability among peers relating to the number of students in each school, along with the types of services each school needs to provide to its students. Once again, this variability among individual's needs and the services provided to meet those needs cannot be completely captured during a comparative analysis at individual position level. Therefore, it was determined that using all positions that mainly interact with the previously identified age groups should be grouped together for both MCBDD and peers to ensure that the analyses we conducted were fair and appropriate within the parameters of our data and scope of the audit.

Methodology

To conduct the staffing level analysis, we used rosters[26] from MCBDD and operational peers, which were requested on our behalf by the Board.[27] These rosters were then sent to OPT by MCBDD along with the correspondence between MCBDD and the peers.

To normalize the rosters for comparison, we created 13 position groups that each roster position could fit into, the full list of these position groups can be found in **Appendix D**. The position groupings were created through collaboration with MCBDD's Human Resources Director, peers, and our general understanding of position duties.

Once the position groupings were created, we attempted to group every position for both MCBDD and the operational peers. We then sent the rosters, with our position groupings, to the peers for their edits, additions, and verification. We then interviewed the peers to go over the position groupings along with clarifying any questions that we had about the rosters. This interview allowed us to establish the status of the positions; the statuses are considered Full Time, Part Time, or Substitute, at which point we removed substitute positions from the rosters before analysis.

We contacted Data Ohio and received the demographic data for each county board of developmental disabilities which DODD possesses. Ultimately, the demographic data that we used was related to the age of the individuals' receiving services. We used this data to create several categories based on the age ranges:

- Ages 0 – 2: Early Intervention (Early Intervention Aged Clients)
- Ages 3 – 21: Education (Pre-School and School Aged Clients)
- Ages 22+: Adults (Past School Aged Clients)
- All Ages: All Ages Combined

[26] Rosters are employee-level lists containing data such as position titles, hiring dates, and pay rates.
[27] Clermont County Board of Developmental Disabilities did not respond to requests for staffing information.

We used these age ranges for specific position groups as shown in the analysis section. It should be noted again that the Early Intervention and Education groupings are not directly related to school only positions. The groupings above only relate to the age of the clients to normalize the data and ensure that positions that only interact with clients of a specific age group are not being compared among clients that they do not have an interaction with.

To normalize the data, we found the number of FTEs per 100 clients in each of the age ranges above for both MCBDD and the peers; the per 100 clients metric is used for the calculation of adjusted FTEs below.

For the FTE analysis, we assumed, after conducting the interviews with the peers, that a full-time status was equal to 1.0 FTE, part time status was equal to 0.5 FTEs. We aggregated each roster for MCBDD and peers, along with the data categories. Then for each position group we calculated FTEs for MCBDD and the peer average, the FTEs per 100 clients for MCBDD and the peer average, the difference between FTEs per 100 clients between MCBDD and the peer average, and the adjusted difference for the FTEs per 100 clients between MCBDD and the peer average. The adjusted difference tells us the number of FTEs that MCBDD is either above or below compared to the peer average for each position based on the relevant per 100 clients. The equation, explanation, and table can be found in Appendix D or below.

$$\left[\frac{MCBDD\ FTEs}{\left(\frac{MCBDD\ Clients\ Served}{100}\right)}\right] - \left[\frac{Peer\ Avg\ FTEs}{\left(\frac{Peer\ Clients\ Served}{100}\right)}\right] * \left(\frac{MCBDD\ Clients\ Served}{100}\right)$$

Once we calculated the adjusted difference for each grouping, we removed six position groups as they were either outside the scope of the audit, included in the **Service and Support Administration** section, or deemed unnecessary because MCBDD is planning on transitioning or abolishing the position in the future. All the groups can be found in **Appendix D**, with the groups that were removed from the final FTE analysis marked with an asterisk.

Analysis

Through collaboration with peers, we organized each position from each county's roster into 1 of 13 different groups based on job duties or clientele. We compared the aggregate staffing levels of MCBDD to the peer average for positions within 7 of the 13 groups. The seven groups that were selected were selected because they were within the scope of the audit. A full list of the position groupings can be found in **Appendix D**. To accurately calculate the FTEs for each position group, we divided the position groups by a selection of four client groups. These four client groups were assigned to the position groups that interact mainly with those client groups. For example, the Adult Programs/Provider Relations group mainly interacts with adult aged clients,

therefore we only use adult aged clients for the FTE analysis of Adult Programs/Provider Relations positions. Below is a list of the seven position groups that we analyzed along with the client group that was used when calculating FTEs.

Position Groups and Client Groups

Position Groups	Client Groups
Administrative Support	All Clients
Adult Programs/Provider Relations	Ages 22+
Early Intervention	Ages 0 - 2
Education	Ages 3 - 21
Health	All Clients
Investigation	All Clients
Secretary	All Clients

Source: MCBDD and Peer Rosters

In the table on the following page, MCBDD has fewer staff per clients served in both the Early Intervention and Education section. Pre-school and school students make up approximately 6.6 percent of MCBDD's overall compared to approximately 11.1 percent for the peer average, which could account for some of this difference. Of note, Early Intervention and Education are two position groupings that work with individuals in specific age groups. While these position groups include positions that work exclusively with students enrolled in a county board operated school, there are also positions included that work outside of the schools. Further, these group include employees that do not work directly with students or clients but work in a capacity that supports Early Intervention or Education programs. Further, county boards of developmental disabilities may choose to contract for specific services rather than employ an individual directly. We did not include contract employees as a part of our analysis. This is particularly relevant in a school setting where it is not uncommon to use contracted services for specialized care when necessary.

The table on the following shows that that MCBDD has more staff than the peer average in positions related to the Secretaries groupings. We also found that MCBDD is below the peer average in overall FTEs.[28] These position groups are a collection of positions among MCBDD and peers, a full table can be found in **Appendix D**.

[28] In addition to the analysis with all peers, we reviewed MCBDD's staffing levels compared to only those peers without an ICF. The table for this second analysis can be found in **Appendix D**.

FTE Analysis

Clientele	MCBDD Clients	Peer Avg	Difference
Early Intervention Aged	277	190	87
Education Aged	708	603	105
Adult Aged	698	744	46
All Clients	**1,683**	**1,537**	**146**

Position Groups	MCBDD FTEs	Peer FTEs	FTEs per 100 Clients	Peer FTEs per 100 Clients	Difference per 100 Clients	Adjusted Difference in FTEs
Administrative Support	14.0	18.2	0.8	1.2	(0.4)	(5.9)
Adult Programs/Provider Relations*	18.0	21.7	2.6	2.9	(0.3)	(2.3)
Early Intervention*	6.0	11.8	2.2	6.2	(4.0)	(11.3)
Education*	32.0	32.6	4.5	5.4	(0.9)	(6.3)
Health	3.0	5.7	0.2	0.4	(0.2)	(3.2)
Investigation	2.0	3.3	0.1	0.2	(0.1)	(1.6)
Secretary	5.0	2.8	0.3	0.2	0.1	2.0
Totals	**80.0**	**96.1**	**10.7**	**16.5**	**(5.8)**	**(28.6)**

Source: MCBDD and Peer Rosters

* Denotes position groups that used a different client group other than All Clients, see Position Groups and Client Groups table.

We did not include the analysis of the staffing appropriateness for Board Operations, Directors, Facilities/Operations, Food Service, SSAs, or Transportation because the positions within those groups were deemed outside the scope of the audit objective, MCBDD has plans in place to transition positions within those groups to other areas within MCBDD or are covered in a previous section of this report. SSA related positions are included in the **Service and Support Administration** section of the report.

Conclusion

Ensuring appropriate staffing levels is important for the Board to provide services to clients. Because the Board is moving towards conflict free case management, the number and types of positions that will require staffing may change over time. As MCBDD continues to transition toward compliance with federal law, the county board should monitor the staffing levels of positions to ensure appropriateness of the staffing levels.

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the Board's official statement in regards to this performance audit. Throughout the audit process, staff met with Board officials to ensure substantial agreement on the factual information presented in the report. When the Board disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.

Medina County
board of developmental disabilities

March 9, 2023

The Honorable Keith Faber, Auditor of State
Office of the Auditor of State
88 East Broad Street 5th Floor
Columbus, OH 43215

Auditor Faber:

The Medina County Board of Developmental Disabilities appreciates the work of the Office of the Auditor of State, specifically the Ohio Performance Team, for their efforts and collaboration during the recent State Performance Audit of our agency. The intensive nine-month audit process required an immense amount of dialogue, partnership, collaboration, and cooperation between the audit team, the Medina County Board of DD, the Ohio Department of Developmental Disabilities, and other County Boards of DD peer groups.

As an agency, we are always looking for ways to improve operations and efficiencies to enhance the valuable services we provide not only to the individuals and families we serve, but to all citizens of Medina County. As responsible stewards of local taxpayers' funding, we are committed to seeking and providing continued and ongoing transparent financial analysis and data to our community while also discovering ways in which we are able to be more impactful in the lives of people with developmental disabilities in Medina County.

As our agency moves forward in its mission of providing life-long services for people with developmental disabilities, this process has given us and our community an additional third-party perspective and insight into our agency's overall financial position and how we provide services. The data gathered has reaffirmed our path and supports our agency's ability in continuing to make decisions in the best interest of those we serve.

The performance audit report includes recommendations, for our Board and the leadership to consider, that broadly fall into three categories: increase documentation, review insurance premiums, and monitor staffing levels. We welcome the recommendations which have been presented and look forward to incorporating them into our strategies, policies, and procedures as we move forward in completing our mission.

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330-725-7751 • www.mcbdd.org

Medina County
board of developmental disabilities

Attached you will find our responses to the performance audit recommendations. Many of these recommendations align with actions which we have already undertaken as part our continuing processes to improve our agency and the services and programs we provide.

The Medina County Board of Developmental Disabilities again extends its appreciation to the Office of the Auditor of State in compiling this report and thanks them for the opportunity to provide this response.

Respectfully,

Stacey Maleckar,
MCBDD Superintendent

Attachment: Responses to Performance Audit Recommendations

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Medina County
board of developmental disabilities

Responses to Performance Audit Recommendations

Recommendation 1: MCBDD Should Establish a Cash Balance Floor Amount Policy
The MCBDD agrees with this recommendation and has created a draft policy document for consideration for approval by our Board within the next quarter. This policy will formalize cash balances needed at the end of each levy cycle which will allow the MCBDD to meet its financial obligations and commitments based on funding timelines both locally and from the state.

Recommendation 2: DODD Should Incorporate Best Practices into the Cost Projection Tool
As this recommendation is intended for the Ohio Department of Developmental Disabilities, we will follow any updates or guidance provided by the state for all 88 County Boards of DD in Ohio to follow.

Issue for Further Study 1: DODD Should Seek Interpretation on Limitation of Non-operational Reserve Balances and Capital Improvement Accounts
As this issue for study is intended for the Ohio Department of Developmental Disabilities, we will follow any updates or guidance provided by the state for all 88 County Boards of DD in Ohio.

Recommendation 3: Reduce Targeted Case Management (TCM) Rate
As part of our own ongoing internal analysis processes, prior to the performance audit, the MCBDD had identified this as an area which we needed to address. We agree that while our Service and Support Administrators (SSA) have been providing important support to those we serve and their families, we need to do a better job of documenting that work (case notes) in the TCM System to therefore reduce our rate. The performance audit provided valuable data which will allow us to target our efforts in specific areas to improve employee documentation skills. We will be increasing training sessions for newly hired SSAs, scheduling ongoing meetings and one-on-one conversations to review expectations for best practices for current SSAs, instituting monthly manager check-ins, assigning peer mentors for SSAs identified as needing additional help with documentation guidelines, and training SSAs on the new Ohio Association of County Boards/Ohio Department of DD Case Notes Guide being released later this year.

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Issue for Further Study 2: DODD should assess the Cost Report Settlement process for time savings so county boards of developmental disabilities are reimbursed in a timely manner

As this issue for study is intended for the Ohio Department of Developmental Disabilities, we will follow any updates or guidance provided by the state for all 88 County Boards of DD in Ohio.

Recommendation 4: Consider Alternative Insurance Plan Options

The MCBDD is diligent in its efforts to ensure it is making well informed and financially responsible decisions. The MCBDD agrees that controlling the cost of benefits such as health care should be an ongoing priority to manage employment associated costs. We will continue to review and collaborate with the Medina County Commissioners about available options as well as continue discussions within the MCBDD's two collective bargaining unit processes.

Recommendation 5: Monitor Staffing Levels During Transition to Conflict-Free Case Management Model

Through our annual budget process, the MCBDD continually reviews, monitors and adjusts staffing levels to be proactive in meeting the needs of those we serve. We are committed to looking at the ever-changing needs of those we serve and their families and to making any necessary staffing adjustments as they are needed.

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Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide MCBDD with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Budgeting & Finance	
How does Medina County's Board of Developmental Disabilities financial position compare to peers and/or best practices, and are its budgeting and financial practices appropriate?	**R.1, R.2**
Service & Support Areas	

How do Medina County's Board of Developmental Disabilities targeted case management (TCM) rates and expenditures compare to peers and/or best practices?	**R.3**
Human Resources	
Are Medina's salaries, wages, and benefits appropriate in comparison to local peers and the Board's financial condition.	**R.4**
Are Medina's staffing level appropriate in comparison to primary peers, demand for services, and the Board's financial condition?	**R.5**

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:

- Control environment
  - We assessed the County Board's exercise of oversight responsibilities in regards to fulfilling its necessary role to provide services to those who qualify and report data to the state Department of Developmental Disabilities.
- Risk Assessment
  - We considered the County Board's activities to assess fraud risks.
- Information and Communication
  - We considered the County Board's use of quality information in relation to its financial, payroll, staffing, and TCM data.
- Control Activities
  - We considered the County Board's compliance with applicable laws and contracts.

We identified an instance of poorly designed controls relating to timekeeping in **Recommendation 3** which represents an opportunity for significant improvement.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of MCBDD's operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Industry Standards such as Government Finance Officers Association guidance on financial projections;
- Leading Practices such as individual county board cash balance policies;
- Statutes in Ohio Revised Code;
- Policies and Procedures; and,
- Peer County Boards of Developmental Disabilities.

In consultation with the County Board of Developmental Disabilities, we selected other county boards similar in the number of clients served to form a peer group for comparisons of operations contained in this report. An additional peer group of county boards which are geographically closely located to Medina was selected to form a comparison group for salaries and benefits. These peers are identified as necessary and appropriate within the section where they were used. Operational and Local peers are listed below.

Operational Peers

- Clermont County Developmental Disabilities;*
- Fairfield County Board of Developmental Disabilities;
- Lake County Board of Developmental Disabilities;
- Mahoning County Board of Developmental Disabilities;
- Portage County Board of Developmental Disabilities;
- Trumbull County Board of Developmental Disabilities; and,
- Wood County Board of Developmental Disabilities.

*Clermont County Board of Development Disabilities was not included in staffing level analyses due to not providing staff data

Local Peers

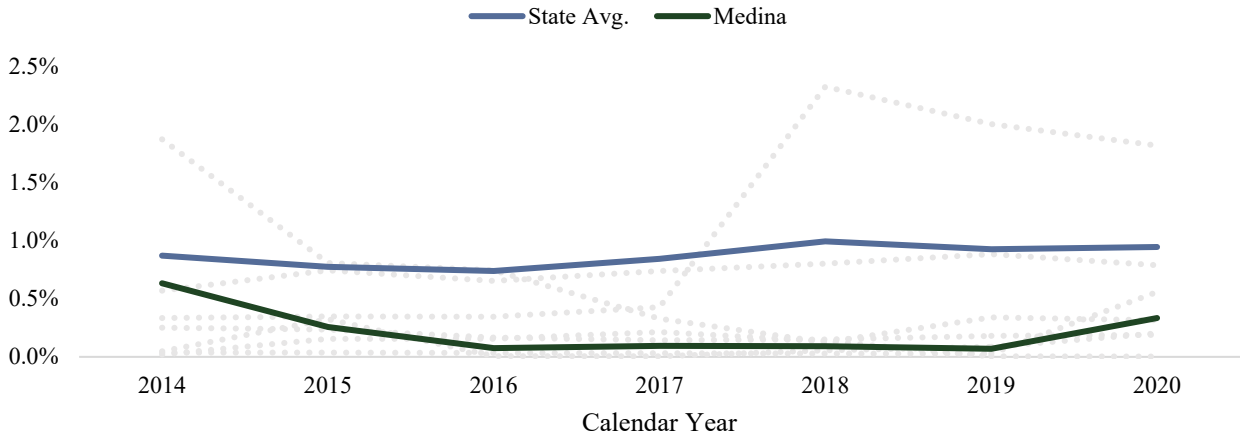
- Ashland County Board of Developmental Disabilities;
- Cuyahoga County Board of Developmental Disabilities;
- Lorain County Board of Developmental Disabilities;
- Summit County Board of Developmental Disabilities; and,

Appendix C: Service and Support Areas

In addition to the analysis presented in **Recommendation 3**, the following analysis of SSA costs were conducted. The following charts show the comparison between MCBDD and the state average for each component of SSA costs.

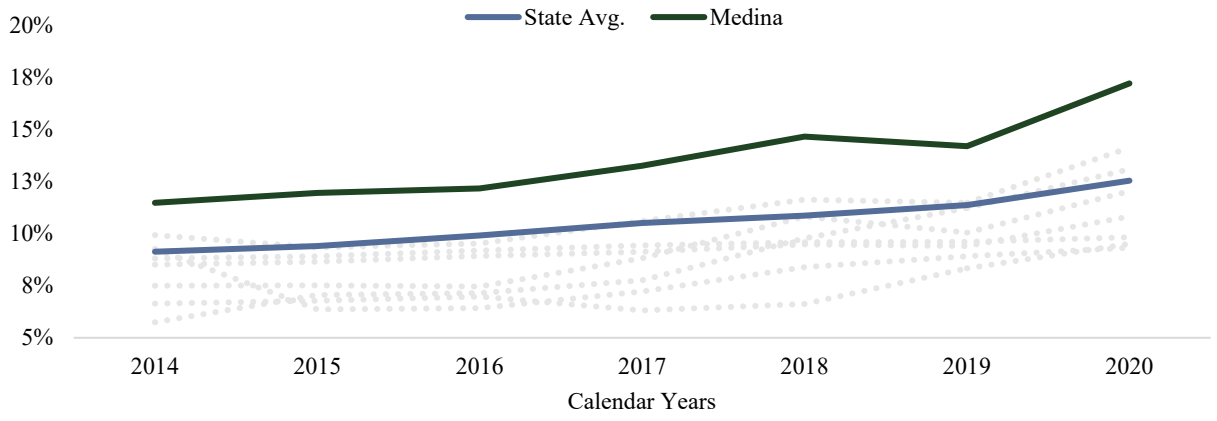
Proportions of Total SSA Cost Charts

Captial: Proportion of Total SSA Costs



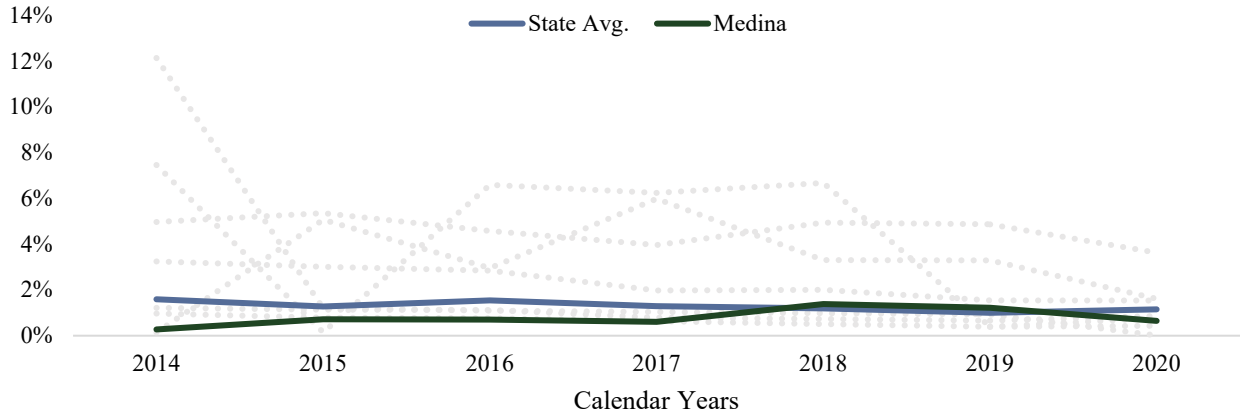
Source: Cost Report Expense Snapshots

Indirect/Overhead: Proporton of Total SSA Costs



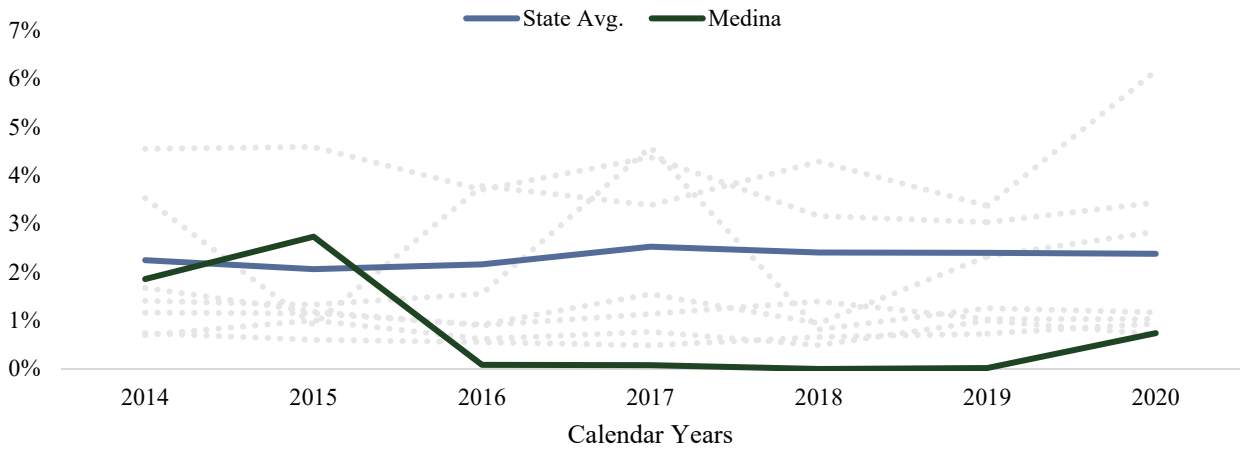
Source: Cost Report Expense Snapshots

Program Supervision: Proportion of Total SSA Costs



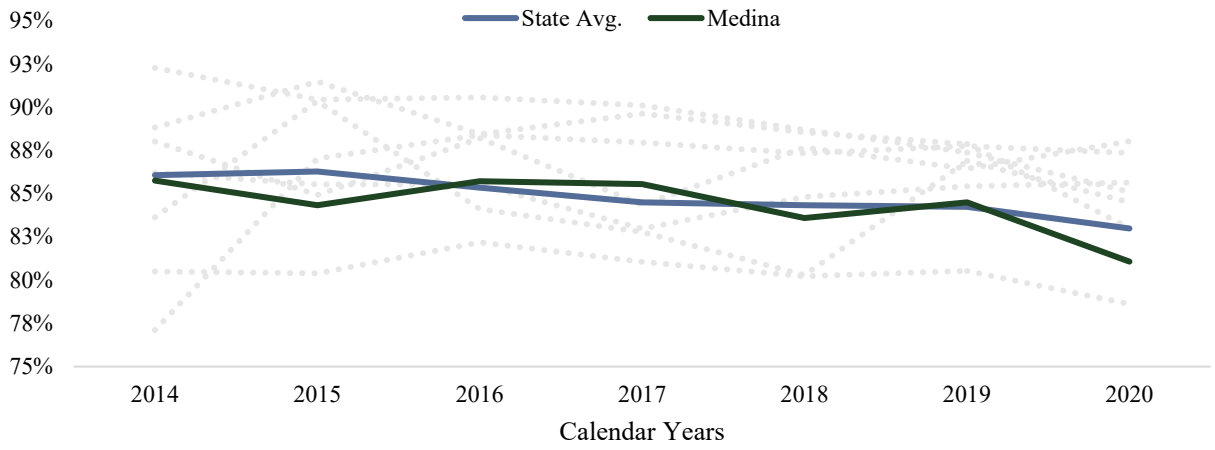
Source: Cost Report Expense Snapshots

Building Services: Proportion of Total SSA Costs



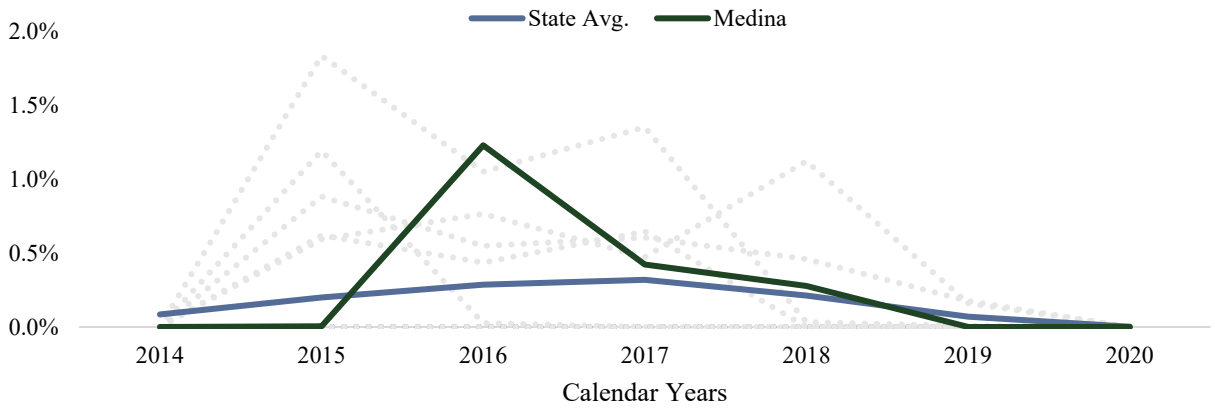
Source: Cost Report Expense Snapshots

Direct SSA Costs: Proportion of Total SSA Costs



Source: Cost Report Expense Snapshots

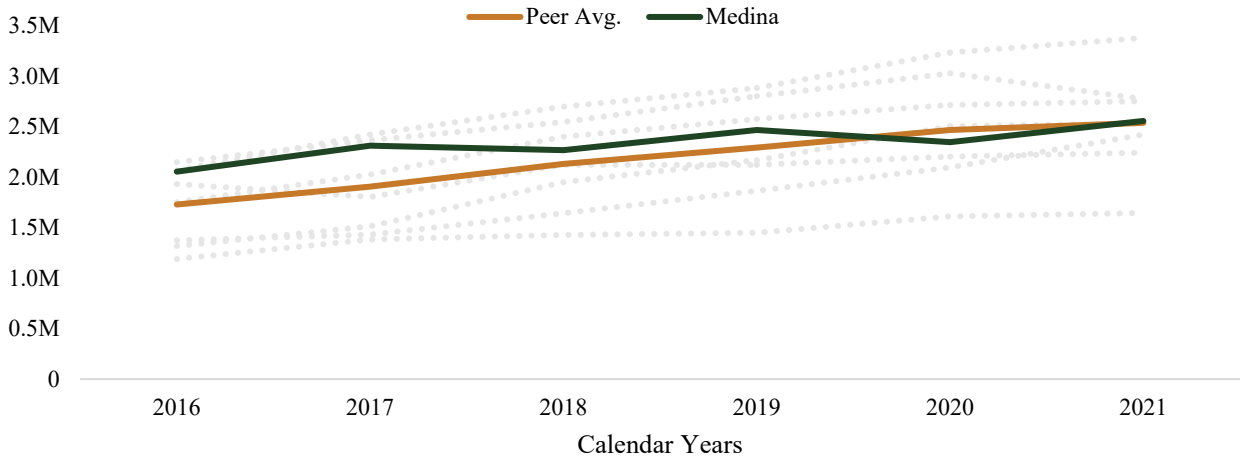
Home Choice Transition Coordination: Proportion of Total SSA Costs



Source: Cost Report Expense Snapshots

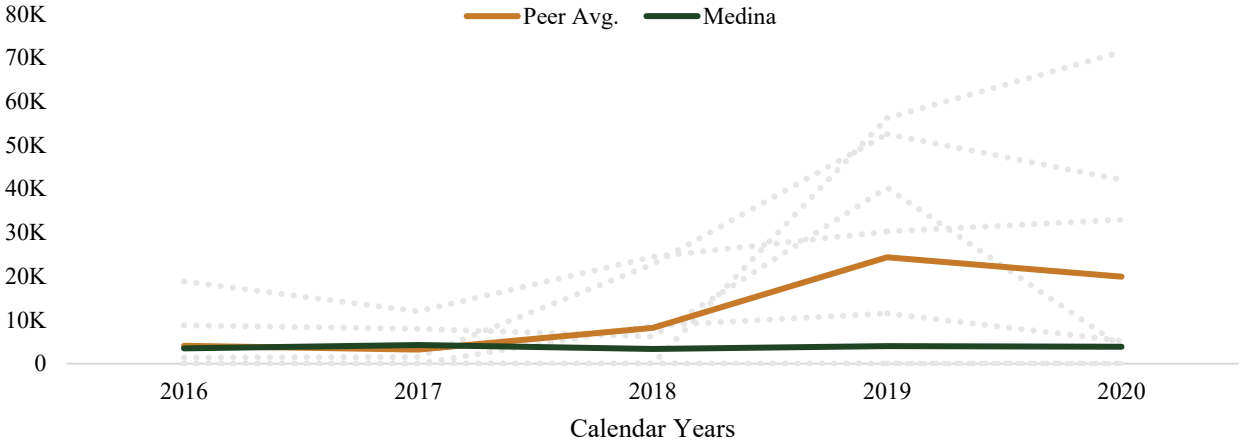
Direct SSA Component Charts

Salaries and Benefits: Direct SSA Cost

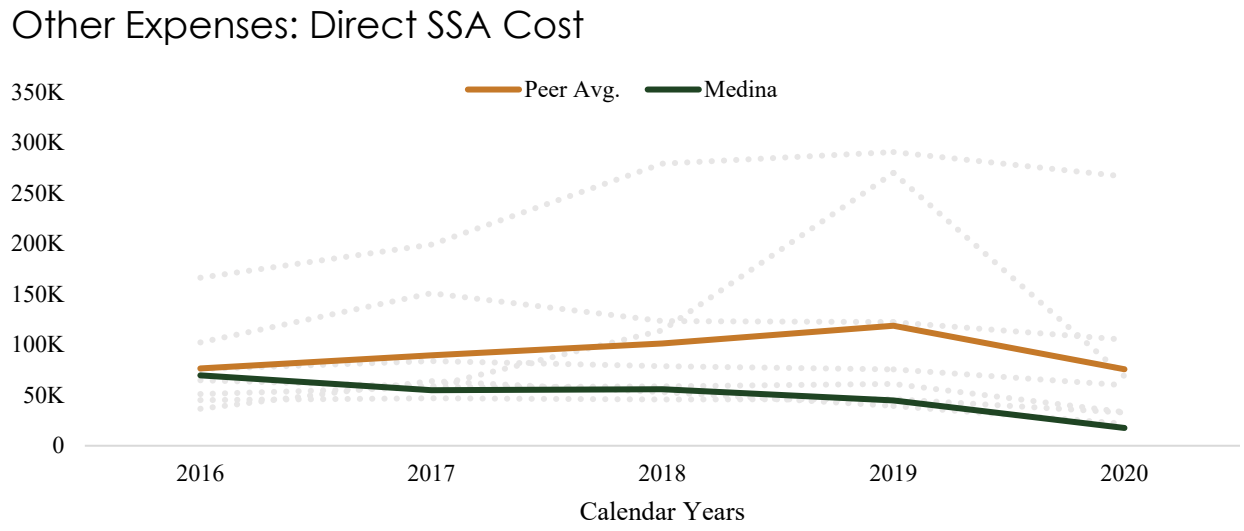


Source: Cost Report Expense Snapshots

Service Contracts: Direct SSA Cost

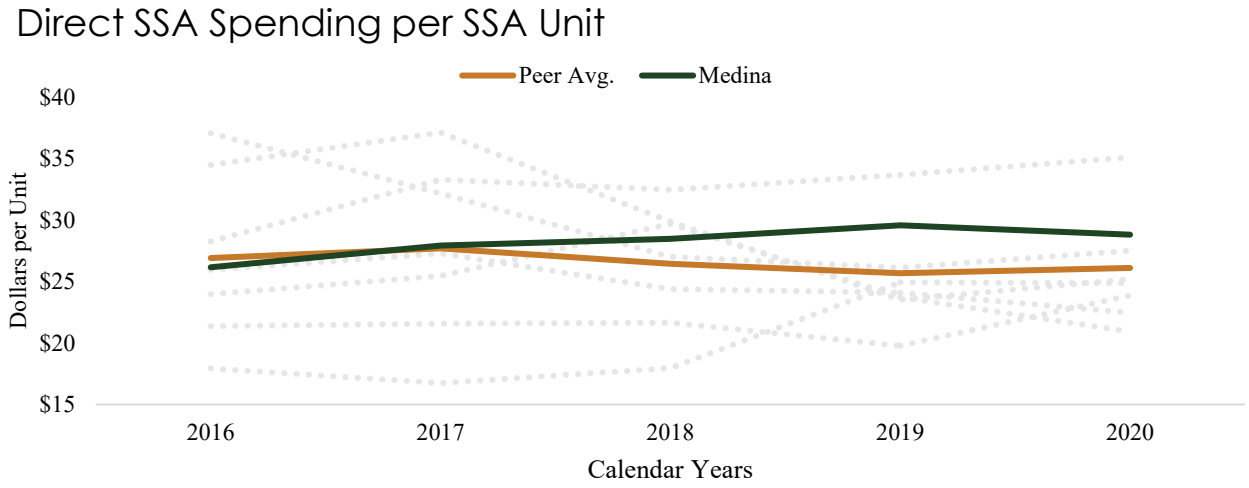


Source: Cost Report Expense Snapshots



Source: Cost Report Expense Snapshots

SSA Cost per Unit



Source: Cost Report Expense Snapshots

Note: Dollars are Direct SSA as presented in cost report snaphots, which includes HC transition costs; SSA units are Total SSA including unallowable.

SSA Roster Positions by Group

County	Position Title	Group
Fairfield	IND BUDGET LIAISON	Other
Fairfield	INTRO & ELIGIB SPEC	Specialist
Fairfield	ISC	Case Manager
Fairfield	ISC ASSISTANT	Assistant
Fairfield	ISC EMPLOY FOCUS	Specialist
Fairfield	ISC RESOURCE ASSESSMENT	Specialist
Fairfield	ISC SUPERVISOR	Manager/Director
Fairfield	SERVICES AND SUPPORTS QUALITY	Specialist
Fairfield	SSA ASSISTANT	Assistant
Fairfield	SSA OUTREACH SUPV	Manager/Director
Fairfield	SUPV TRANSITION SERV	Manager/Director
Lake	Service & Support Adminir	Case Manager
Lake	SSA Assistant Director	Manager/Director
Lake	SSA Supervisor	Manager/Director
Lake	Svc & Supp Compliance Mgr	Manager/Director
Mahoning	COMMUNITY OUTREACH ADVOCATE	Specialist
Mahoning	SERVICE AND SUPPORT ADMIN	Case Manager
Mahoning	SSA SUPERVISOR	Manager/Director
MCBDD	Eligibility Assistant	Assistant
MCBDD	Eligibility Specialists	Specialist
MCBDD	SSA Case Manager	Case Manager
MCBDD	SSA Manager	Manager/Director
Portage	Service and Support Administrator	Case Manager
Portage	SSA Supervisor	Manager/Director
Trumbull	Intake Coordinator	Other
Trumbull	Service and Support admin Assistant	Assistant
Trumbull	Service and Support Admin Employment Navigator	Specialist
Trumbull	Service and Support Admin Wraparound Facil.	Specialist
Trumbull	Service and Support Admin. Supervisor	Manager/Director
Trumbull	Service and Support Administrator	Case Manager
Trumbull	Service and Support executive assistant	Assistant
Wood	ASST SSA DIRECTOR	Manager/Director
Wood	DATA SPECIALIST - MAC	Specialist
Wood	FAMILY & CHILDREN FIRST COUNCIL COORDINATOR	Specialist
Wood	INTAKE & ELIGIBILITY SPECIALIST	Specialist
Wood	ISP SPECIALIST - MAC	Specialist
Wood	SERVICE & SUPPORT ADMINISTRATION MANAGER - MAC	Manager/Director
Wood	SERVICE & SUPPORT ADMINISTRATION MANAGER - MEDICAID - MAC	Manager/Director
Wood	SERVICE & SUPPORT ADMINISTRATOR	Case Manager

Wood	SERVICE & SUPPORT WRAPAROUND FACILITATOR	Specialist
Wood	SUPPORT SPECIALIST - MAC	Specialist

SSA Staffing Level Charts

Staff Levels Per 1000 Clients

County	All SSA FTEs	Case Manager	Assistant	Specialist	Manager/Director	Other
MCBDD	21.8	18.1	0.6	1.2	1.9	0.0
Lake	25.0	20.8	0.0	0.0	4.3	0.0
Fairfield	30.9	18.9	3.2	3.8	3.2	1.9
Mahoning	28.2	24.8	0.0	0.6	2.8	0.0
Portage	21.9	20.1	0.0	0.0	1.8	0.0
Trumbull	29.9	21.9	1.5	2.2	2.9	1.5
Wood	49.9	34.7	0.0	8.0	7.2	0.0
Peer Avg	**31.0**	**23.5**	**0.8**	**2.4**	**3.7**	**0.6**

TCM Formula Expansion

The formula used in the calculations associated with **Recommendation 3** is complex. A simplified graphic representation was presented within the recommendation. The expanded formula can be found below.

$$TCM\ Rate = \frac{Allocated\ TCM\ Costs}{TCM\ Units}$$

where,

$$Allocated\ TCM\ Costs = Total\ SSA\ Costs * \left(\frac{TCM\ Units}{Allowable\ SSA\ Units}\right)$$

$$\begin{aligned} Total\ SSA\ Costs \\ &= Capital\ Allocation + Indirect/Overhead\ Allocation \\ &+ Program\ Supervision\ Allocation + Building\ Services\ Allocation \\ &+ Direct\ SSA\ Program\ Costs \\ &+ Home\ Choice\ Transition\ Coordination\ Costs \end{aligned}$$

where costs are allocated as,

$$Capital\ Cost\ Allocation = \left(SSA\ Capital\ Costs * \frac{TCM\ Units}{Allowable\ SSA\ Units}\right) + \left(Capital\ General\ Expenses * \frac{SSA\ Allocated\ Sqft}{Total\ Sqft}\right)$$

$$Indirect/Overhead\ Allocation = Indirect/Overhead\ COG\ Expenses + \left(Indirect/Overhead\ General\ Expenses * \frac{TCM\ Units}{Allowable\ SSA\ Units}\right)$$

$$Program\ Supervision\ Allocation = \left(SSA\ Program\ Supervision\ Costs * \frac{TCM\ Units}{Allowable\ SSA\ Units}\right) + \left(Program\ Supervison\ General\ Expenses * \frac{SSA\ Accumulated\ Costs}{Total\ Accumulated\ Costs}\right)$$

$$Building\ Services\ Allocation = Allocation\ of\ Building\ Services + Allocation\ of\ Building\ Services\ General\ Expenses$$

Note: The allocation in this portion of the formula uses a granular formula that was not traced in this audit.

$$Direct\ SSA\ Program\ Costs = (SSA\ Salaries + SSA\ Employee\ Benefits + SSA\ Service\ Contracts + SSA\ Other\ Expenses + SSA\ COG\ Expenses) * \frac{TCM\ Units}{Allowable\ SSA\ Units}$$

Note: Home Choice Transition Coordination Costs is a direct cost category that has no allocation formula.

TCM Impact Calculation

Peer Average SSA Units per Case Manager Impact Analysis

Formula	MCBDD 2021 Value	Impact Analysis Value
SSA Units per Case Manager	2,906.93	3,040.29
× Case Managers (2022 value)	29	29
All SSA Units	84,301	88,168
× % Allowable SSA Units	95.0%	95.0%
Allowable SSA Units	80,208	83,888
× % TCM of Allowable Units	92.5%	92.5%
TCM Units	*74,213*	*77,618*
Allocated TCM Costs	$2,878,350.80	$2,878,350.80
÷ *TCM Units*	*74,213*	*77,618*
TCM Rate	**$38.78**	**$37.08**

Peer Average Indirect/Overhead General Expenses per Client Impact Analysis

Formula	MCBDD 2021 Value	Impact Analysis Value
Client Population	1603	1603
× I/O Gen. Expenses per Client	$1,621.10	**$1,273.97**
I/O Gen. Expenses	$2,598,631.08	$2,042,173.91
× % SSA Accumulated I/O	20.5%	20.5%
SSA Allocated I/O	$532,345.55	$418,351.88
(Change)	($0)	($113,993.67)
Allocated TCM Costs	*$2,878,350.80*	*$2,764,357.13*
÷ TCM Units	74,213	74,213
TCM Rate	**$38.78**	**$37.25**

Note: The change in SSA Allocated I/O will be equivalent to the change in Allocated TCM Costs, holding all other cost categories the same.

Peer Average Indirect/Overhead General Expenses per Client and Peer Average SSA Units per Case Manager Impact Analysis

Formula	MCBDD 2021 Value	Impact Analysis Value
Allocated TCM Costs	*$2,878,350.80*	*$2,764,357.13*
÷ *TCM Units*	*74,213*	*77,618*
TCM Rate	**$38.78**	**$35.62**

Note: These values come from the individual impact analyses above, noted by italicized text.

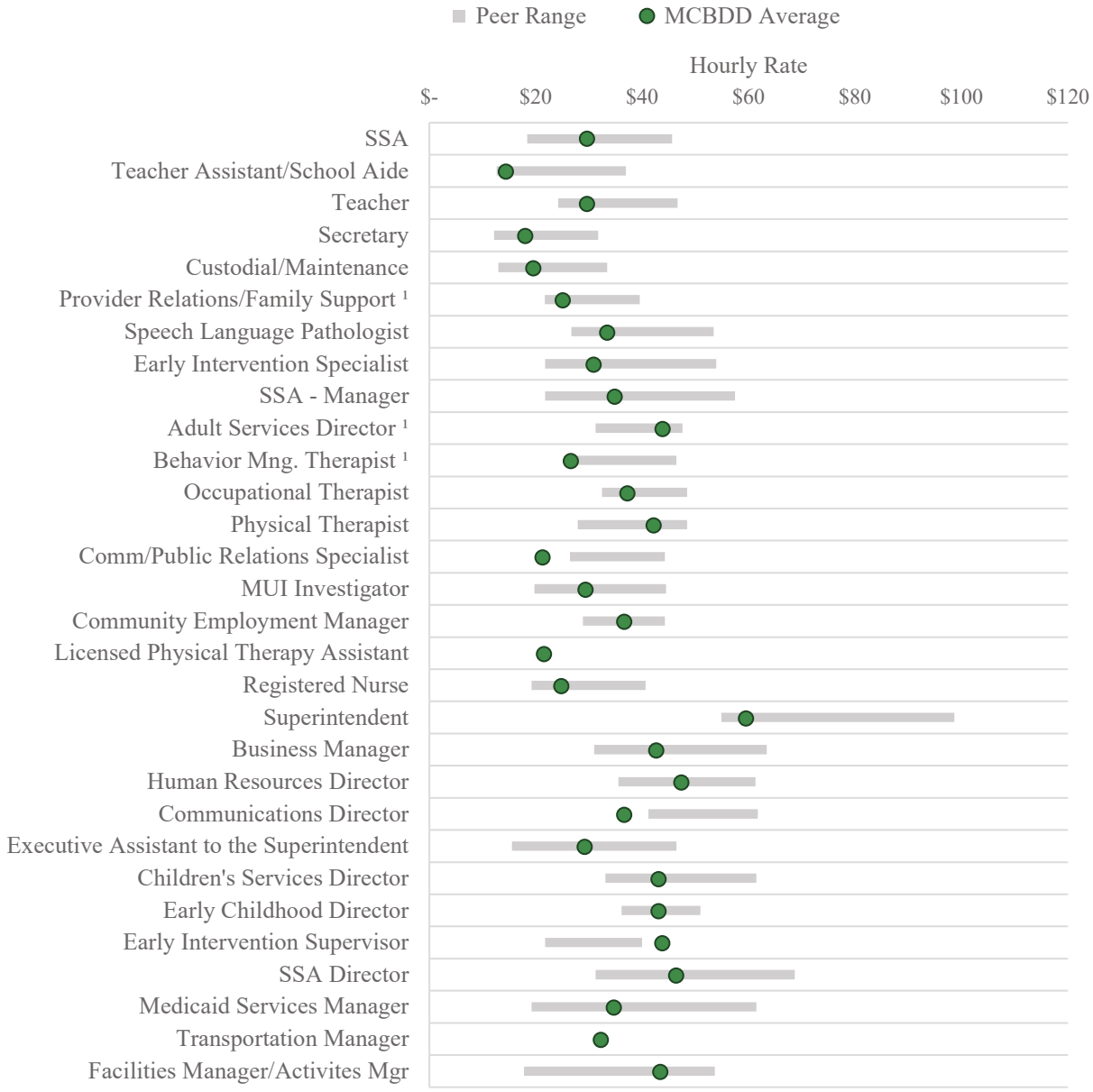
Appendix D: Human Resources

OACBDD Staffing Survey

OACBDD sends out a yearly staffing survey that collects staffing data from the 88 county boards of developmental disabilities in Ohio. Participation in the survey is voluntary. This survey collects staffing information such as positions, the pay bands for positions, and hours worked per position. We received the 2022 survey results from MCBDD and asked each peer and MCBDD to verify the survey data that they submitted, mark any staffing changes that have taken place between the initial survey submission, and to add positions not included in the initial survey.

We used the OACBDD staffing survey to find the minimum and maximum hourly rate for each position listed in the survey at peer county boards of developmental disabilities. The minimum and maximum, or range, was called the pay-band for each position. With these position titles we found the average salary for each MCBDD employee within each position. On the table on the following page, the grey bars represent the pay-bands indicated on the staffing survey while the black dot indicates the average MCBDD salary for that position. For the positions that only had one comparable peer, we denoted those position titles with a superscript 1. We found that MCBDD is within or below the peer wage range for the positions we reviewed. It should be noted that the staffing survey includes positions that were abolished during the course of this audit, we removed these positions after they were abolished.

Peer Salary Ranges vs MCBDD Average



Source: OACBDD Staffing Survey & MCBDD Payroll

1 Denotes positions with only one peer

Staff Groupings

The following tables show the identification of staffing groups that were used for analysis in **Recommendation 5**. These tables also list out the positions from staffing rosters and the associated position grouping that was used to classify the specific position for both MCBDD and peers that responded to the request for information.

Groups and Clients

Position Groups	Client Groups	2022 MCBDD Clients	2022 Peer Avg Clients
Administrative Support	All	1,683	1,573
Adult Programs/Provider Relations	Adults (Ages 22+)	698	744
Board Operations*	N/A		
Directors*	N/A		
Early Intervention	Ages 0 - 2	277	190
Education	Ages 3 - 21	708	603
Facilities/Operations*	N/A		
Food Service*	N/A		
Health	All	1,683	1,537
Investigation	All	1,683	1,537
Secretary	All	1,683	1,537
SSAs	See **Service and Support Areas**		
Transportation*	N/A		

Source: MCBDD and Peer Rosters

* Denotes positions not analyzed for FTEs

Client Groups

Client Groups	Clients	MCBDD Clients	Peer Avg Clients
Early Intervention (EI)	Ages 0 – 2	277	190
Education (School Aged)	Ages 3 – 21	708	603
Adults	Ages 22+	698	744
All Clients	All Clients	1,683	1,537

Source: MCBDD and Peer Rosters

The operation of an Intermediate Care Facility (ICF) requires 24-hour a day care and staffing, which may impact overall staffing levels. Because of this, we compared staffing levels in each position group for those peers that responded to the request for information that also do not operate an ICF. As seen in the table below, MCBDD still has fewer FTE per 100 clients served compared to the peer average in the majority of position groupings, even after controlling for the operations of an ICF.

Adjusted Peers Total FTE Comparison

Position Groups	MCBDD FTEs	Peer FTEs	MCBDD FTEs per 100 Clients	Peer FTEs per 100 Clients	Difference per 100 Clients	Adjusted Difference in FTEs
Administrative Support	14.0	13.4	0.8	0.9	(0.1)	(0.8)
Adult Programs/Provider Relations*	18.0	8.0	2.6	1.1	1.5	10.7
Early Intervention*	6.0	13.5	2.2	8.4	(6.2)	(17.3)
Education*	32.0	37.6	4.5	6.3	(1.8)	(12.6)
Health	3.0	2.8	0.2	0.2	(0.0)	(0.0)
Investigation	2.0	3.8	0.1	0.2	(0.1)	(2.2)
Secretary	5.0	1.9	0.3	0.1	0.2	2.9
Totals	**80.0**	**80.9**	**10.7**	**17.2**	**(6.5)**	**(19.4)**

Source: MCBDD and Peer Rosters – numbers were rounded to nearest tenths

Note: Wood and Lake County operate ICFs and are excluded from this table.

* Denotes position groups that used a different client group other than All Clients, see Position Groups and Client Groups table.

MCBDD Roster Positions by Group

Position Title	Group
Administrative Assistant	Administrative Support
Community Relations Associate	Administrative Support
Community Relations Specialist	Administrative Support
Business Clerk	Administrative Support
Financial Data Specialist	Administrative Support
File Clerk	Administrative Support
Financial Waiver Data Specialist	Administrative Support
Human Resources Clerk	Administrative Support
Human Resources Specialist	Administrative Support
Medicaid Services Manager	Administrative Support
Network Administrator	Administrative Support
Records Specialist	Administrative Support
Community Support Specialist	Adult Programs/Provider Relations
Assistive Technology Assistant	Adult Programs/Provider Relations
Assistive Technology Specialist	Adult Programs/Provider Relations
Community Resources Coordinator	Adult Programs/Provider Relations
Community Supports Manager	Adult Programs/Provider Relations
Economic Developer	Adult Programs/Provider Relations
Employment Navigator	Adult Programs/Provider Relations
Individual Supports Coordinator	Adult Programs/Provider Relations
Positive Support Specialist	Adult Programs/Provider Relations
Provider Relations/Family Supports Specialist	Adult Programs/Provider Relations
Training and Compliance Specialist	Adult Programs/Provider Relations
Assistant Superintendent	Board Operations
Executive Administrator	Board Operations
Superintendent	Board Operations
Assistant Director of Children's Services	Directors
Director of Children's Services	Directors
Community Relations Manager	Directors
Director of Business	Directors
Director of Community Development	Directors
Director of Community Services	Directors
Director of Operations and Technology	Directors
Human Resources Director	Directors
SSA Director	Directors
Developmental Specialist	Early Intervention
Early Intervention Coordinator	Early Intervention

Quality Support Specialist	Education
Instructor Assistant	Education
Intervention Specialist	Education
Speech Pathologist	Education
Licensed Physical Therapy Assistant	Education
Occupational Therapist	Education
Physical Therapist	Education
Custodian	Facilities/Operations
Facility Activities Manager	Facilities/Operations
IT Help Desk	Facilities/Operations
Maintenance Worker	Facilities/Operations
Operations Floater	Facilities/Operations
Cook	Food Service
Health Services Coordinator	Health
Registered Nurse	Health
Special Olympics Coordinator	Health
Investigative Agent I	Investigation
Confidential Secretary	Secretary
Secretary	Secretary
Eligibility Assistant	SSAs
Eligibility Specialists	SSAs
SSA Case Manager	SSAs
SSA Manager	SSAs
Transportation Manager	Transportation

Peer Roster Positions by Group

Position	Group
Account Clerk	Administrative Support
Accounting Associates*	Administrative Support
Accounting Specialist I	Administrative Support
Accounting Supervisor	Administrative Support
Administration Executive Assistant	Administrative Support
Administrative Assistant	Administrative Support
Administrative Assistant Supervisor	Administrative Support
Administrative Assistant-School*	Administrative Support
Administrative Specialist	Administrative Support
Ancillary Supp Spec	Administrative Support
Asst. Hr Director	Administrative Support

Budget & Reporting Mgr.	Administrative Support
Budget Specialist	Administrative Support
Business Management Supervisor	Administrative Support
Business Office Assistant	Administrative Support
Clerk Typist	Administrative Support
Communications/Hr Manager	Administrative Support
Computer Network Administrator	Administrative Support
Executive Assistant	Administrative Support
Family Support Services Coordi	Administrative Support
File Clerk	Administrative Support
Fiscal Assistant	Administrative Support
Fiscal Clerk	Administrative Support
Fiscal Specialist	Administrative Support
Hr Training Coordinator	Administrative Support
Human Resource Assistant	Administrative Support
Human Resource Generalist	Administrative Support
Human Resources Coordinator	Administrative Support
Human Resources Specialist I	Administrative Support
Information Technology Specialist	Administrative Support
Marketing Manager	Administrative Support
Marketing Support Coordinator	Administrative Support
Medicaid Manager	Administrative Support
Medicaid Services Manager	Administrative Support
Medicaid Spcst	Administrative Support
Medicaid Support Assistant	Administrative Support
Payroll Assistant	Administrative Support
Payroll Coordinator	Administrative Support
Payroll Manager	Administrative Support
Procurement & Business Support Manager	Administrative Support
Records Control Clerk	Administrative Support
Revenue & Business Office Manager	Administrative Support
Software Developer	Administrative Support
Software System Analyst	Administrative Support
Staff Development Specialist	Administrative Support
Waiver Coordinator	Administrative Support
Waiver Specialist	Administrative Support
Waiver Support Specialist	Administrative Support
Adult Services Manager	Adult Programs/Provider Relations
Advocacy And Community Resource Coordinator	Adult Programs/Provider Relations
Autism Specialist	Adult Programs/Provider Relations

Behavior Services Coordinator	Adult Programs/Provider Relations
Behavior Support Services Supe	Adult Programs/Provider Relations
Behavior Support Technician	Adult Programs/Provider Relations
Behavior Suppport Strategist	Adult Programs/Provider Relations
Career Development Manager	Adult Programs/Provider Relations
Comm. Integration Prof.	Adult Programs/Provider Relations
Comm. Support Spec.--Ft	Adult Programs/Provider Relations
Communications & Community Engagement Manager	Adult Programs/Provider Relations
Community Connections Coordina	Adult Programs/Provider Relations
Community Employment Coordinator	Adult Programs/Provider Relations
Community Employment Program Assistant	Adult Programs/Provider Relations
Community Employment Specialist	Adult Programs/Provider Relations
Community Relations Manager	Adult Programs/Provider Relations
Community Resource & Training	Adult Programs/Provider Relations
Community Support Manager	Adult Programs/Provider Relations
Contract Procurement Spec	Adult Programs/Provider Relations
Employment Coordinator	Adult Programs/Provider Relations
Employment Navigator	Adult Programs/Provider Relations
Employment Specialist	Adult Programs/Provider Relations
Employment Support Specialist	Adult Programs/Provider Relations
General Manager A&C/S7	Adult Programs/Provider Relations
Habilitation Specialist Ii	Adult Programs/Provider Relations
Housing Coordinator	Adult Programs/Provider Relations
Icf Habilitation Coordinat	Adult Programs/Provider Relations
Icf Habilitation Manager/Qddp	Adult Programs/Provider Relations
Icf Shift Manager	Adult Programs/Provider Relations
Imagine Program Manager	Adult Programs/Provider Relations
Job Coach	Adult Programs/Provider Relations
Job Developer	Adult Programs/Provider Relations
Professional Development Coord	Adult Programs/Provider Relations
Provider Relations Coordinator - Mac	Adult Programs/Provider Relations
Provider Relations Specialist - Mac	Adult Programs/Provider Relations
Provider Resource Coord.	Adult Programs/Provider Relations
Provider Resource Specialist	Adult Programs/Provider Relations
Provider Support Coordinator	Adult Programs/Provider Relations
Provider Support Manager	Adult Programs/Provider Relations
Respite Coordinator/Icf Shift Manager	Adult Programs/Provider Relations
Senior Autism Program Spt	Adult Programs/Provider Relations
Social Worker I	Adult Programs/Provider Relations
Transition Specialist	Adult Programs/Provider Relations

Work Incentive Practitioner	Adult Programs/Provider Relations
Assistant Superintendent	Board Operations
Communications Specialist	Board Operations
Community Education Specialist	Board Operations
Executive Assistant To The Superintendent	Board Operations
Fiscal Officer	Board Operations
Quality Assur Registered Nurse	Board Operations
Risk Manager/Contract Complian	Board Operations
Superintendent	Board Operations
Agency Supports Director	Directors
Business Manager	Directors
Chief Financial Officer	Directors
Community Employment Director	Directors
Community Employment Services Director	Directors
Dir Of Community Support Servi	Directors
Dir Qual Assur/Prov Rel	Directors
Dir. Community Outreach	Directors
Dir. Of Educational Services	Directors
Direc. Of Health Supports & Provider Relations - Mac	Directors
Director Of Business Management	Directors
Director Of Children'S Services	Directors
Director Of Community And Provider Relations	Directors
Director Of Community Relations And Development	Directors
Director Of Early Intervention	Directors
Director Of Education	Directors
Director Of Education And Child Development	Directors
Director Of Facilities/Transportation	Directors
Director Of Financial Services	Directors
Director Of Hipaa And Information Technology	Directors
Director Of Human Resources	Directors
Director Of Legal And Ame	Directors
Director Of Nursing	Directors
Director Of Operations	Directors
Director Of Provider Relations	Directors
Director Of Services And Support Administration	Directors
Director Of Transportation *	Directors
Information Tech. Dir.	Directors
Invest. Svcs. Director	Directors
Classroom Assistant	Early Intervention
Developmental Specialist	Early Intervention

E. I. Service Coordinator	Early Intervention
Early Childhood Supervisr	Early Intervention
Early Intervention Assistant	Early Intervention
Early Intervention Coordinator	Early Intervention
Early Intervention Speech/Language Pathologist	Early Intervention
Ei Supervisor	Early Intervention
Occupational Therapist - Ei	Early Intervention
Physic Therapist-Ei (12M-8Hr)	Early Intervention
Speech Language Pathologist Ei	Early Intervention
Adapted Physical Education Specialist	Education
Adaptive Physical Education Aq	Education
Adaptive Physical Education Asst.	Education
Assistant Principal*	Education
Assistive Technology Coordinat	Education
Classroom Assistant	Education
Education Services Manager	Education
Educational Aide	Education
Educational Coordinator*	Education
Emis Coordinator*	Education
Family Support & Education Coordinator	Education
Floating Aide	Education
Instructor	Education
Instructor Assistant	Education
Instructor Ps (Pre-School)	Education
Instructor Resource	Education
Intervention Specialist	Education
Occupational Therapist	Education
Physical Education Instructor	Education
Physical Therapist	Education
Principal*	Education
Quality Assurance Administrator	Education
Quality Assurance Specialist	Education
School Age Supervisor	Education
School Paraprofessional	Education
School-Age Transition Coordinator	Education
Speech Language Pathologist	Education
Student Services Assistant	Education
Supervisor Of Student Services	Education
Teacher	Education
Transition Coordinator	Education

Asst. Oper. Director	Facilities/Operations
Custodial Supervisor	Facilities/Operations
Custodial Worker	Facilities/Operations
Custodial Worker 2Nd Shift	Facilities/Operations
Custodian	Facilities/Operations
Custodian - Pt	Facilities/Operations
Custodian I	Facilities/Operations
Equipment Operator	Facilities/Operations
Facilities Apprentice	Facilities/Operations
Facilities Maintenance Technician*	Facilities/Operations
Facilities Manager*	Facilities/Operations
Facilities Team Coordinator	Facilities/Operations
Facilities Tech	Facilities/Operations
General Laborer	Facilities/Operations
It Desktop Coordinator	Facilities/Operations
It Specialist	Facilities/Operations
It Support Specialist	Facilities/Operations
It Systems Specialist	Facilities/Operations
Maintenance Repair Worker	Facilities/Operations
Maintenance Supervisor	Facilities/Operations
Supervisor Of Facilities/Trans	Facilities/Operations
Cafeteria Supervisor*	Food Service
Cook	Food Service
Food Service Mgr	Food Service
Food Services Worker	Food Service
Lead Cook	Food Service
Porter	Food Service
Community Occupational Therapist	Health
Community Occupational Therapy Assistant	Health
Health & Safety Coordinator	Health
Health Supports Coordinator - Mac	Health
Hygiene Specialist	Health
Licensed Practical Nurse	Health
Nurse	Health
Nursing Habilitation Manr	Health
Nursing Support Manager	Health
Recreation/Wellness Manager	Health
Recreation/Wellness Specialist	Health
School Nurse	Health
Investigative Agent	Investigation

Investigative Services Supervisor	Investigation
Mui Data Coord.	Investigation
Senior Investigative Agent	Investigation
Secretary	Secretary
Asst Ssa Director	SSAs
Community Outreach Advocate	SSAs
Data Specialist - Mac	SSAs
Family & Children First Council Coordinator	SSAs
Ind Budget Liaison	SSAs
Intake & Eligibility Specialist	SSAs
Intake Coordinator	SSAs
Intro & Eligib Spec	SSAs
Isc	SSAs
Isc Assistant	SSAs
Isc Employ Focus	SSAs
Isc Resource Assessment	SSAs
Isc Supervisor	SSAs
Isp Specialist - Mac	SSAs
Service & Support Administrator	SSAs
Service & Support Wraparound Facilitator	SSAs
Service And Support Admin Employment Navigator	SSAs
Service And Support Admin. Supervisor	SSAs
Service And Support Executive Assistant	SSAs
Services And Supports Quality	SSAs
Ssa Assistant Director	SSAs
Ssa Outreach Supv	SSAs
Support Specialist - Mac	SSAs
Supv Transition Serv	SSAs
Svc & Supp Compliance Mgr	SSAs
Assistant Director Of Transportation*	Transportation
Bus Aide	Transportation
Bus Driver	Transportation
Bus Transportation Supervisor	Transportation
Driver	Transportation
Head Mechanic	Transportation
Mechanic	Transportation
Transportation Coordinator*	Transportation
Transportation Supervisor	Transportation
Vehicle Operator	Transportation

OHIO AUDITOR OF STATE
KEITH FABER

MEDINA 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 3/23/2023

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