



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Miller Holdings MAG, Inc. DBA North Bend's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2021, and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Cost Report for the year ended December 31, 2021, and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2021, and certain compliance requirements related to the Cost Report and Medicaid services. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Census Data and Medicaid Paid Claims

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

For any reimbursed leave days, we totaled leave days for each resident for the year from the Detailed Census Report by Payer. We found no residents had over leave 30 days for the year.

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

Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance* to the Trial Balance Allocation report and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. We found no variances exceeding \$500.
2. We scanned the description in the General Ledger Detail for any discounts, allowances or refunds or rebates and compared these entries to the chart of account codes on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center*. We found no unreported offsets or reclassifications between schedules over \$500.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the Home Office Costs to the Cost Report Adjustments worksheet and the Working Trial Balance and from the Trial Balance to *Schedule B-1, B-2 and C*. We found no variances between schedules exceeding \$500.
2. We scanned the General Ledger Detail for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll expenses and 10 home office expenses from *Schedules B-1, B-2, and C* that exceed \$500 and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. The error rate resulting in adjustments from our initial sample exceeded 25%; therefore, we selected an additional 20 non-payroll expenses. Using this documentation and any additional explanations, we performed the following procedures on each of the 60 expenses:

- We determined if the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found variances resulting in decreased costs as reported in the Appendix.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found non-reimbursable costs as reported in the Appendix. For these errors, we scanned the corresponding invoice to identify any additional similar errors or misclassifications and found none.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions). We found no variances between schedules exceeding \$500.
- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found costs that did not benefit the ICF-IID as reported in the Appendix. For these errors, we scanned the corresponding invoices to identify any additional similar errors or misclassifications and found none.

Non-Payroll Expenses (Continued)

- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and the ICF's Depreciation/ Capitalization Policy to confirm that the expense was not a capital asset. We found no unidentified capital assets.
 - We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found variances as reported in the Appendix. We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used in the Home Office Costs schedule for *Schedules B-1, B-2* and *C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. We found no reclassifications or adjustments resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the 958 West North Bend facility from the Hamilton County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year or square footage.
2. We compared the project year, type, and cost for three recent renovations from the invoices and other supporting documentation to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions. We found one renovation was allocable to another ICF-IID and removed the renovation as reported in the Appendix.
3. We compared the square footage and year of construction of the secondary building at 1268 North River Road to the Trumbull County Property tax records, Secondary Building worksheet, Square Footage summary, and floor plans to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. We found no variances.

We also compared the utilization percentage from the utilization percentage based on the Bed Day Allocation report to Attachment 9 and the Cost Report Instructions and CMS Publication 15-1 §§ 2150 and 2302.4. We found no decreases in utilization percentage.

4. We compared equipment depreciation and lease costs from the Depreciation Schedule, General Ledger Detail and Home Office Cost worksheet to *Schedule D, Capital Cost Center*, the Cost Report Instructions. We found no variances. We scanned the Depreciation Schedule and General Ledger Detail to identify any reported loss on *Schedule D* in accordance with CMS Publication 15-1, § 104.10(E). We found no reported capital loss.

Payroll

1. We compared all salary and fringe benefits on the Working Trial Balance to *Schedules B-1, B-2, and C*. There were no variances resulting in decreased costs.

We also compared hours and percentage of time worked and salaries from the Reclass Administrator and Owners Wage Allocation worksheets and the Payroll Journal to *Schedule C-1, Administrator's Compensation*. There were no variances resulting in decreased costs.

2. We obtained the Payroll Journal and selected five employees reported on *Schedules B-2, C, and C-1* and obtained the job description (payroll documentation) and if the programs with benefit from the employees' work is unclear, we inquired with the ICF-IID.

Payroll (Continued)

We performed the following procedures on each selected employee:

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

Contracted Personnel

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

Using this documentation, we performed the following procedures on each selected contracted personnel:

- We compared contract documentation to the Detailed General Ledger and the Cost Report instructions to confirm documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H) for both contractors and found no variances.
- We compared the contract documentation to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the costs benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no unallowable costs or costs that did not benefit the ICF-IID.
- We compared the documented contract cost and type of expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12. We found no reclassifications between schedules exceeding \$500.
- We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report Instructions. We found no variances.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the ICF-IID's Cost Report and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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We are required to be independent of the ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 3, 2023

Appendix
Miller Holdings MAG, Inc. DBA North Bend
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
2. Medical Supplies - medicare non billable - 6001 - Other/Contract Wages (2)	\$ 5,945	\$ (193)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (119)	\$ 5,633	To reclassify costs allocable to another ICF to non-reimbursable
8. Water and Sewage - 6030 - Other/Contract Wages (2)	\$ 4,136	\$ (163)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (141)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (129)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (135)	\$ 3,568	To reclassify costs allocable to another ICF to non-reimbursable
Schedule B-2 Direct Care Cost Center				
43. Staff Development - Direct Care - 6550 - Other/Contract Wages (2)	\$ 725	\$ (47)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (27)	\$ 651	To reclassify costs allocable to another ICF to non-reimbursable
Schedule C Indirect Care Cost Center				
4. Dietary Supplies & Expenses - 7025 - Other/Contract Wages (2)	\$ 1,333	\$ (46)		To reclassify costs without supporting documentation to non-reimbursable
		\$ (36)	\$ 1,251	To reclassify costs allocable to another ICF to non-reimbursable
7. Food In-Facility - 7040 - Other/Contract Wages (2)	\$ 24,478	\$ (211)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (1,392)		To reclassify costs without supporting documentation to non-reimbursable.
		\$ (1,332)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (66)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (824)	\$ 20,653	To reclassify costs without supporting documentaiton to non-reimbursable
24. Program Supplies - 7125 - Other/Contract Wages (2)	\$ 1,896	\$ (299)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (185)	\$ 1,412	To reclassify costs allocable to another ICF to non-reimbursable
30. Communications - 7225 - Other/Contract Wages (2)	\$ 8,399	\$ (312)	\$ 8,087	To reclassify costs allocable to another ICF to non-reimbursable
35. Housekeeping - 7245 - Other/Contract Wages (2)	\$ 2,258	\$ (299)	\$ 1,959	To reclassify costs allocable to another ICF to non-reimbursable

Appendix
Miller Holdings MAG, Inc. DBA North Bend
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule C Indirect Care Cost Center (Continued)				
44. Help Wanted/Informational				
Advertising - 7290 - Other/Contract Wages (2)	\$ 1,310	\$ (10)	\$ 1,300	To reclassify promotional gifts to non-reimbursable costs
52. Repair & Maintenance - 7340 - Other/Contract Wages (2)	\$ 9,156	\$ (131)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (129)		To reclassify costs allocable to another ICF to non-reimbursable
		\$ (134)	\$ 8,762	To reclassify costs allocable to another ICF to non-reimbursable
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 459	\$ 193		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 119		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 163		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 141		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 47		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 27		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 211		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 299		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 185		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 312		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 299		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 10		To reclassify promotional gifts to non-reimbursable costs
		\$ 1,392		To reclassify costs without supporting documentation to non-reimbursable.
		\$ 46		To reclassify costs without supporting documentation to non-reimbursable
		\$ 1,332		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 36		To reclassify costs allocable to another ICF to non-reimbursable

**Appendix
Miller Holdings MAG, Inc. DBA North Bend
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule C Indirect Care Cost Center (Continued)				
68. Other Non-Reimbursable - Specify				
Below - 9725 - Other/Contract Wages (2)		\$ 131		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 129		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 135		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 129		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 66		To reclassify costs allocable to another ICF to non-reimbursable
		\$ 824		To reclassify costs without supporting documentaiton to non-reimbursable
		\$ 134	\$ 6,819	To reclassify costs allocable to another ICF to non-reimbursable

**Attachment 9, Fair Rental Value Survey
Fair Rental Value Log 2: Renovations Projects Log**

(3) - 2015 Renovations - Project Cost	\$ 2,172	\$ (2,172)	\$ -	To remove 2015 Renovation costs related to another ICF.
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OHIO AUDITOR OF STATE KEITH FABER



MILLER HOLDINGS MAG, INC. DBA NORTH BEND

HAMILTON 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 5/23/2023

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