



OHIO AUDITOR OF STATE
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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 Horizons of Tuscarawas and Carroll Counties, Inc. dba Bolivar Group Home's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022 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, 2022 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 has 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, 2022, and certain compliance requirements related to the Cost Report and Medicaid services. Additionally, the Ohio Department of Developmental Disabilities has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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 AT Census Summary report and the Facility Daily Census reports for each month of CY 2022. There were no computational errors resulting in omitted days. We compared the total of inpatient and leave days from the census reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected one resident from the Facility Daily Census reports and included a resident with leave days in the selection. We obtained the medical records for the selected individual 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 5123-3-04(J). We found no omitted days.

For any reimbursed leave days, we obtained the remaining census reports and totaled the leave days per resident for CY 2022. We found no leave days over 30.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days are greater than net Medicaid reimbursed days.

Revenue

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

Non-Payroll Expenses

1. We compared all non-payroll expenses from the General Ledger - Account Activity reports to the Trial Balance and from the Trial Balance to *Schedule B-1, B-2* and C. We found no variances.
2. We scanned General Ledger – Account Activity reports 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 exceeded \$500 (including a minimum of two contract personnel/position vouchers) and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rates and found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found non-federal reimbursable costs as reported in the Appendix. For these errors, we scanned the General Ledger – Account Activity report for other like errors in the same cost center 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 variances between schedules exceeding \$500 as reported in the Appendix. For these errors, we scanned the General Ledger – Account Activity report for other like errors in the same cost center and found none.
- We documented the name and type of expense and inquired with ICF-IID and determined if 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 General Ledger – Account Activity report for other like errors in the same cost center 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 an expense that was a capital asset and reported a variance to remove the expense and include depreciable costs as reported in the Appendix.
 - We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used in the Home Office Income Statement for *Schedules B-1, B-2 and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. There were no reclassifications or adjustments resulting in decreased costs.

Payroll

1. We compared all salary and fringe benefits on the Trial Balance to *Schedules B-1, B-2, and C*. We found no variances.

We also compared hours and percentage of time worked and salaries and benefits from the Home Office Income Statement to *Schedule C-1, Administrator's Compensation*. There were variances resulting in decreased hours and percentage of time paid weekly as reported in the Appendix.

2. We obtained the ADP Payroll reports and selected five employees reported on *Schedules B-1, B-2, and C* and the one employee reported on *Schedule C-1* and if the programs which benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:

- We compared salaries on the Pay Stub and ADP Payroll reports to the General Ledger - Account Activity report and the General Ledger to the Trial Balance and to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H).
- We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs.
- We compared the employee job description and salary and benefit costs on the Pay Stub and ADP Payroll reports to the General Ledger - Account Activity report and the General Ledger to the Trial Balance and to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances.
- We compared the cost methodology and allocation statistics for each employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances.

Property

1. We compared the initial square footage and year of construction of the ICF-IID facility at 10071 State Route 212 NE from the Tuscarawas County Auditor's Property records and floor plans 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 five recent renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared the square footage and year of construction of one secondary building facility at 220 West Fourth Street from the Tuscarawas County Property tax records to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. There were no variances.

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

4. We compared equipment depreciation and lease costs from the Fixed Assets Schedule and Home Office Income Statement to *Schedule D, Capital Cost Center* and to the Cost Report Instructions. There were no variances.

We scanned the Fixed Asset Schedule and General Ledger – Account Activity report to identify any reported loss on Schedule D no in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

5. We selected one capital asset from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the one asset selected, based on the Cost Report instructions and useful lives prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18.

We compared the recalculated depreciation to the reported depreciation and 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.

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



Keith Faber
Auditor of State
Columbus, Ohio

March 28, 2024

Appendix

**Horizons of Tuscarawas and Carroll Counties, Inc. dba Bolivar Group Home
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
18. Home Office Other Protected - 6095 - Other/Contract Wages (2)	\$ 5,407	\$ (78)		To reclassify staff gift cards to non-reimbursable
		\$ (230)	\$ 5,099	To reclassify raffle basket items for staff to non-reimbursable
Schedule B-2 Direct Care Cost Center				
24. Other Direct Care, Other - 6220 - Other/Contract Wages (2)	\$ -	\$ 1,023		To reclassify other direct care medical services
40. Employee Fringe Benefits - Direct Care - 6530 - Other/Contract Wages (2)	\$ 13,126	\$ (807)	\$ 12,319	To reclassify gifts to staff to non-reimbursable
Schedule C, Indirect Care Cost Center				
19. Habilitaiton Supplies - 7100 - Other/Contract Wages (2)	\$ 7,507	\$ (1,438)	\$ 6,069	To remove direct expense for two electric ranges over capitalization threshold and record current year depreciation
40. Dues, Subscriptions, Licenses - 7270 - Other/Contract Wages (2)	\$ 1,142	\$ (1,023)	\$ 119	To reclassify other direct care medical services
48. Home Office - Indirect Care - 7310 - Other/Contract Wages (2)	\$ 70,925	\$ (241)	\$ 70,684	To reclassify promotional marketing items to non-reimbursable costs
68. Non-Federal Reimbursable - 9725 - Other/Contract Wages (2)	\$ 3,880	\$ 807		To reclassify gifts to staff to non-reimbursable
		\$ 78		To reclassify staff gift cards to non-reimbursable
		\$ 241		To reclassify promotional marketing items to non-reimbursable costs
		\$ 230	\$ 5,236	To reclassify raffle basket items for staff to non-reimbursable
Schedule C-1: Administrators Compensation				
Section B				
Paid Weekly: Hours	8.00	(0.22)	7.78	To correct paid weekly hours
Paid Weekly: Percentage	20.00	(0.56)	19.44	To correct paid weekly percentage
Schedule D: Capital Cost Center				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 6,600	\$ 132	\$ 6,732	To remove direct expense for two electric ranges over capitalization threshold and record current year depreciation

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HORIZONS OF TUSCARAWAS AND CARROLL COUNTIES, INC. DBA BOLIVAR GROUP HOME

TUSCARAWAS 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 5/2/2024

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