



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S 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 ViaQuest Healthcare Central, LLC dba VHC - 1620 Forest Avenue'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 Daily Census reports for each month of calendar year 2022. We found no computation errors. 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 Daily Census reports. 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. We obtained the remaining Monthly Daily Census reports and confirmed there were 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 were equal to net Medicaid reimbursed days.

Revenue

1. We agreed the revenue reported on the *Attachment 1, Revenue Trial Balance* to the Detailed General Ledger - Standard report and with the chart of account classifications in the Appendix to Ohio Admin. Code 5123-7-12. There were no variances.

Revenue

2. We scanned the description in the Detailed General Ledger - Standard 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 unrecorded offsets and reported in the Appendix in accordance with CMS Publication 15-1 § 804.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the Trial Balance to *Schedule B-1, B-2 and C*. We found variances resulting in decreased costs as reported in the Appendix.
2. We scanned the Detailed General Ledger - Standard report 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 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 footed the invoice/documentation for accuracy. We found no computational differences. We compared the invoice rate to the contracted rate and found no variances in the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found no non-reimbursable costs.
- 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. For these errors, we scanned the Detailed General Ledger - Standard report for similar misclassifications. We found additional similar misclassifications. We total all identified misclassifications as reported in the Appendix.
- We documented the name and type of expense and inquired with ICF to determine that the business purpose of the expense benefitted the ICF in accordance with CMS Publication 15-1 § 2302.4. We found no costs that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code 5123-7-18 to confirm that the expense was not a capital asset. We found expenses that were capital assets and reported variances to remove the expenses 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.

Non-Payroll Expenses (Continued)

3. We compared the cost methodology for consulting and management services provided by the Home Office in the Home Office Combined Income Statements and reported in *Schedules B-1, B-2 and C* and to Ohio Admin. Code 5123-7-12 and CMS Publication 15-1, § 2150.

The ICF-IID used a revenue methodology in lieu of the Home Office total cost methodology required by CMS Publication 15-1, § 2150.3(D)(2) for unlike facilities. Therefore, we asked the ICF-IID to recalculate its consulting and management fees using the total cost methodology.

We received the ICF-IID's Allocation of Cost Summary and compared it to the Home Office and 1620 Combined Income Statements provided. We found differences; however, the Allocation of Cost Summary calculation did not result 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 resulting in decreased costs.

We also compared hours and percentage of time worked and salaries from the Payroll Ledger and Administrative Salary Support to *Schedule C-1, Administrator's Compensation*. There were no variances resulting in decreased costs.

2. We obtained the Payroll Ledger and selected five employees reported on *Schedules B-1, B-2, C* and the 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 the salaries and benefits from the Payroll 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 found no variances for unsupported expenses.
- 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 Payroll 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 reclassifications between schedules.
- 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 1620 Forest Avenue facility from the Stark County Auditor's property records to *Attachment 9, Fair Rental Value Survey*. There were no differences in the year. There were variances resulting in a decrease in square footage as reported in the Appendix.

Property (Continued)

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 renovations to the Cost Report Instructions. There were variances for unsupported renovations as reported in the Appendix.
3. We compared the square footage and year of construction of the secondary building facilities at 525 Metro PL North and 1954 Hubbard Road from the Franklin and Lake County Auditor's Property records to Attachment 9: Log 3: Secondary Buildings and the Cost Report instructions. There were no variances in year of construction or decreases in total square footage.

We also compared the utilization percentage for two secondary buildings from the ICF Secondary Building Summary to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1 §§ 2150 and 2302.4. We found no differences for one secondary building. Moreover, another secondary home office building had a utilization percentage based on a revenue and inpatient day methodology in lieu of a total cost and inpatient day methodology required by CMS Publication 15-1 § 2150. We recalculated the utilization percentage based on the total cost and inpatient day methodologies. There was a difference resulting in a decrease in the utilization percentage as reported in the Appendix.

4. We compared equipment depreciation on the Depreciation Expense Report to *Schedule D, Capital Cost Center* and the Cost Report Instructions. There were no variances.
5. We scanned the Depreciation Expense Report and Detailed General Ledger - Standard Report to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.
6. We selected one capital asset each from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the asset selected, based on the Cost Report instructions and useful life prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Ohio Admin. Code 5123-7-18. We compared the recalculated depreciation to the reported depreciation and found variances resulting in decreased costs as reported in the Appendix.

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

June 4, 2024

Appendix
ViaQuest Healthcare Central, LLC dba VHC - 1620 Forest Avenue
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
14. Psychologist - 6175 - Other/Contract Wages (2)	\$ -	\$ 1,208		To reclassify psychological services
		\$ 1,480	\$ 2,688	To reclassify psychological
24. Other Direct Care - Specify Below - 6220 - Other/Contract Wages (2)	\$ 2,880	\$ 560	\$ 3,440	To reclassify medical services
39. Worker's Compensation - Direct Care - 6520 - Adjustments Increases (Decreases) (4)	\$ -	\$ (17)	\$ (17)	To record revenue offset for workers comp refund
Schedule C Indirect Care Cost Center				
23. Personal Care - Supplies - 7120 - Other/Contract Wages (2)	\$ 1,991	\$ (295)	\$ 1,696	To agree to Trial Balance
24. Program Supplies - 7125 - Other/Contract Wages (2)	\$ 3,368	\$ (1,208)	\$ 2,160	To reclassify psychological services
28. Consulting and Management Fees - Indirect - 7215 -Other/Contract Wages (2)	\$ 104,953	\$ (1,480)		To reclassify psychological services
		\$ (560)	\$ 102,913	To reclassify medical services
53. Minor Equipment - 7350 - Other/Contract Wages (2)	\$ 2,448	\$ (1,380)	\$ 1,068	To reclassify refrigerator and dishwasher as capital assets and record depreciation
57. Worker's Compensation - Indirect Care - 7510 - Adjustments Increases (Decreases) (4)	\$ -	\$ (1,052)	\$ (1,052)	To record revenue offset for workers comp refund
Schedule D Capital Cost Center				
4. Depreciation - Equipment - (8040) - (3) Total	\$ 2,239	\$ (335)		To adjust equipment depreciation to correct useful life per AHA guide
		\$ 90	\$ 1,994	To reclassify refrigerator and dishwasher as capital assets and record depreciation
Attachment 2, Adjustments To Trial Balance				
1. BWC Refund Revenue Chart of Account # (1)		5400	5400	To record revenue offset for worker's comp
1. BWC Refund Other Increase (Decrease) (3)	\$ -	\$ (17)	\$ -	To record revenue offset for worker's comp
1. BWC Refund Expense Chart of Account # (5)		6520	6520	To record revenue offset for worker's comp
2. BWC Refund Revenue Chart of Account # (1)		5400	5400	To record revenue offset for worker's comp
2. BWC Refund Other Increase (Decrease) (3)	\$ -	\$ (1,052)	\$ -	To record revenue offset for worker's comp
2. BWC Refund Expense Chart of Account # (5)		7510	7500	To record revenue offset for worker's comp
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Year of Initial Construction	4,626	(996)	3,630	To revise initial square footage to agree to County Auditor records

Appendix

ViaQuest Healthcare Central, LLC dba VHC - 1620 Forest Avenue

Medicaid ICF-IID Cost Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Attachment 9, Fair Rental Value Survey				
Fair Rental Value log 2: Renovations Projects Log				
13. Renovations/Improvements - 2017 (see attached) - Project Year	2017	(2017)	0	To remove unsupported renovation
13. Renovations/Improvements - 2017 (see attached) - Project Cost	\$ 1,600	\$ (1,600)	\$ -	To remove unsupported renovation
14. Renovations/Improvements - 2018 (see attached) - Project Year	2018	(2018)	0	To remove unsupported renovation
14. Renovations/Improvements - 2018 (see attached) - Project Cost	\$ 9,065	\$ (9,065)	\$ -	To remove unsupported renovation
15. Renovations/Improvements - 2019 (see attached) - Project Year	2019	(2019)	0	To remove unsupported renovation
15. Renovations/Improvements - 2019 (see attached) - Project Cost	\$ 29,792	\$ (29,792)	\$ -	To remove unsupported renovation
16. Renovations/Improvements - 2021 (see attached) - Project Year	2021	(2021)	0	To remove unsupported renovation
16. Renovations/Improvements - 2021 (see attached) - Project Cost	\$ 21,763	\$ (21,763)	\$ -	To remove unsupported renovation

Attachment 9, Fair Rental Value Survey
Fair Rental Value Log 3: Secondary Buildings

1. Home Office/Record Storage - Utilization/ Allocation Percentage	0.94	(0.10)	0.84	To correct utilization/allocation percentage using cost and inpatient day methodology
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OHIO AUDITOR OF STATE KEITH FABER



VIAQUEST HEALTHCARE CENTRAL, LLC DBA VHC - 1620 FOREST AVENUE

STARK 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 6/25/2024

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