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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 Gentlebrook, Inc. dba Rose Manor - Home II's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2023 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, 2023 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, 2023, 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 Yearly Census Information report. 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*. There were no omitted days.
2. We selected one resident from the Yearly Census Information report with leave days. 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 totaled the leave days for the resident on the Census by Location report for calendar year 2023 and found total leave days were not over 30 days.

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 equal to net Medicaid reimbursed days.

Revenue

1. We compared the revenue 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 and the Cost Report Instructions for ICF-IID (Cost Report Instructions). There were no reclassifications exceeding \$500 or omitted revenues.
2. We scanned the description in the General Ledger for any discounts, allowances, refunds, rebates or other applicable credits and compared these revenue type and amount 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* and to CMS Publication 15-1 §§ 804 and 2302.5. We reported unrecorded offsets in the Appendix in accordance with CMS Publication 15-1 §§ 804 and 2302.5.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the General Ledger to the Administration and Workshop Allocation worksheets and from the Allocation worksheet and Cost Report Adjustments to the Trial Balance and from the Trial Balance and Home Office Allocation Expense worksheet to *Schedule B-1, B-2 and C*. We found no reclassifications between schedules exceeding \$500 or variances resulting in decreased reimbursable costs.
2. We scanned the General Ledger 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 and Ohio Admin. Code 5123-7-11.

We selected 30 non-payroll expenses and 10 home office expenses from *Schedules B-1, B-2 and C*, 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 resulting in decreased costs.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rate. We 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 and Ohio Admin. Code 5123-7-11.

We found non-federal reimbursable costs. For these errors, we scanned the General Ledger for other like errors in the same cost center and found additional similar errors. We totaled all identified errors as reported in the Appendix.

- 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 Cost Report Instructions. We found no variances between schedules.
- We documented the name and type of expense and inquired with the 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.

Non-Payroll Expenses (Continued):

For these errors, we scanned the General Ledger for other like errors in the same cost center and found additional similar errors. We totaled all identified errors as reported in the Appendix.

- We compared the cost and type of expense on the documentation to Ohio Admin. Code 5123-7-18 and CMS Publication 15-1 to confirm that the expense was not a capital asset. We found one expense met the capital asset threshold and reported variances to remove 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 2023 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used in the Home Office Allocation worksheet for *Schedules B-1, B-2 and C* and to Ohio Admin. Code 5123-7-12 and CMS Publication 15-1, § 2150. There were no reclassifications or adjustments resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the ICF facility at 22079 Township Road 1064 from the Coshocton County Auditor's Property records and floor plan to *Attachment 9, Fair Rental Value Survey*. There were differences in the year as reported in the Appendix. There were no decreases in square footage.
2. We compared the square footage and year of construction of two secondary buildings at 880 Sunnyside Street SW and at 22059 Orchard Street from the Stark and Coshocton County Property tax records, floor plan and lease agreement to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. There were no decreases in square footage or differences in the year of construction.

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

3. We compared equipment depreciation and lease costs from the Depreciation Expense report and Trial Balance to *Schedule D, Capital Cost Center* and the Cost Report Instructions. There were no variances.

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

Payroll

1. We compared all salary and fringe benefits from the General Ledger to the Administration and Workshop Allocation worksheet and from the Allocation worksheet and Cost Report Adjustments to the Trial Balance and from the Trial Balance and Home Office Allocation Expense Worksheet to *Schedules B-1, B-2, and C*. There were no variances.

We also compared hours and percentage of time worked and salaries from the Administrative Wage Allocation report to *Schedule C-1, Administrator's Compensation* and to CMS Publication 15-1 § 2304, the Cost Report Instructions, and Ohio Admin. Code 5123-7-21(D)(2)(j) to (n) and 5123-7-22(C)(xi) to (xv). There were no variances.

Payroll (Continued):

2. We obtained the Payroll Detail reports 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 employee salary costs on the Payroll Details report to the General Ledger and Trial Balance and the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code 5123-7-12(H) and CMS Publication 15-1 § 2304. 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 Ohio Admin. Code 5123-7-11 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 Detail report to the General Ledger, 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 2023 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.

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

April 16, 2025

Appendix

Gentlebrook, Inc. dba Rose Manor - Home II Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
22. Active Treatment Off-Site Day Programming - 6216 - Other/Contract/Wages (2)	\$ 31,304	\$ (1,458)		To remove direct expense for a capital asset and record depreciation
		\$ 7	\$ 29,853	To remove direct expense for a capital asset and record depreciation
25. Home Office Costs - Direct Costs- Adjustments Increases (Decreases) (4) - 6230	\$ 8,831	\$ (523)	\$ 8,308	To reclass staff appreciation costs
40. Employee Fringe Benefits - Direct Care - 6530 - Other Contract/Wages (2)	\$ 20,057	\$ (1,297)	\$ 18,760	To reclass staff appreciation costs
Schedule C Indirect Care Cost Center				
29. Office and Admin Supplies - 7220 - Other Contract/Wages (2)	\$ 969	\$ (54)	\$ 915	To remove direct expense for a capital asset and record depreciation
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 1	\$ 1,297		To reclass staff appreciation costs
		\$ 523		To reclass staff appreciation costs
		\$ (112)	\$ 1,709	To add revenue offset for logo wear sales
Schedule D Capital Cost Center				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 1,738	\$ 2	\$ 1,740	To add an item which should have been capitalized
Attachment 2, Adjustments to Trial Balance				
11. Description	A-2 Offset	Logo Wear Sales Offset	Logo Wear Sales Offset	To add revenue offset for logo wear sales
11. Revenue Chart of Account # (1)		5670	5670	To add revenue offset for logo wear sales
11. Other Increase/Decrease (3)	\$ -	\$ 112	\$ -	To add revenue offset for logo wear sales
11. Expense Chart of Account # (5)		9725	9725	To add revenue offset for logo wear sales
Attachment 9, Fair Rental Value Survey Initial Construction				
Year of Initial Construction	2022	1	2023	To adjust the initial year of construction to county auditor records

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GENTLEBROOK, INC. DBA ROSE MANOR - HOME II

COSHOCTON 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 5/8/2025

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