



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

RE: 599 West Main Corporation dba Ruth & Matthew Home
Ohio Medicaid Number 0073449

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD) on the Medicaid ICF-IID Cost Report of 599 West Main Corporation dba Ruth & Matthew Home (hereafter referred to as the Provider) for the period January 1, 2018 through December 31, 2018. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report (Cost Report). The sufficiency of these procedures is solely the responsibility of ODM and DODD. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, the Ruth & Matthew Home provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Summary of Beds and Inpatient Days and Monthly Resident Census reports to *Schedule A-1, Summary of Inpatient Days*. We found no unreported days.
2. We selected eight residents' medical records for one month during June, October, November and December 2018 and compared the total days in care with the inpatient days reported on the Monthly Resident Census reports and *Schedule A-1*. We found no omitted days.

Revenue

1. We compared the General Ledger with *Attachment 1, Revenue Trial Balance*, the Appendix to Ohio Admin. Code § 5123-7-12, and CMS Publication 15-1. We found no differences.
2. We scanned the General Ledger for any revenue offsets or applicable credits which were not reported 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* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. We did not identify any revenue offsets/applicable credits.

Medicaid Paid Claims

1. We selected paid claims for one month from the Quality Decision Support System (QDSS) for the eight residents selected in the Occupancy and Usage procedure above and compared reimbursed days to the days documented per the residents' medical records.

Medicaid Paid Claims (Continued)

We also compared the medical records to the general requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123-7-12, 5123:2-3-04, and 5160-1-17.2; and the payment adjustment requirements for resident's admission, discharge or death in Ohio Admin. Code § 5123:2-7-15.

Recoverable Finding: \$ 61,395.24

The Provider was paid a total of 298 days for three residents from October to December and one resident for December after the residents transferred to another ICF-IID due to the downsizing of the Provider's facility. We calculated a recoverable finding based on the payments for these 298 days.

We also compared the medical records and documentation of authorized bed hold days in excess of 30 in a calendar year to the paid claims data and calculated a finding for any unauthorized bed hold days not in compliance with Ohio Admin. Code § 5123:2-7-08. We found no unauthorized days. We did not find any waiver respite days which were not in compliance with Ohio Admin. Code § 5123:2-7-03.

2. We compared the paid Medicaid days per QDSS with the total Medicaid days reported on *Schedule A-1*. The Provider was reimbursed for 323 days in excess of reported days; however, 298 of the 323 days were included in recoverable finding. The Provider omitted 30 census days for one resident for March and we reported adjustment to add the 30 days in the Appendix. With this adjustment, the reported days exceeded paid days.

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedules B-1, B-2 and C* to the Working Trial Balance and General Ledger. We found no variances.
2. We scanned the General Ledger and selected 20 non-payroll expenses from *Schedules B-1, B-2, and C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Cost Report Instructions for ICF-IID and CMS Publication 15-1. We reported variances in the Appendix.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We reported an omitted contract in the Appendix.
4. We did not perform the procedure to determine if the home office allocation methodology was allowable as the Provider did not report Home Office costs on *Schedules B-1, B-2 or C*.
5. We compared the 2018 non-payroll costs reported on *Schedules B-1, B-2 and C* by chart of account code to similar reported costs in 2017. We obtained the Provider's explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Trash and Refuse Removal costs increased on *Schedule B-1* due to the ICF-IID posting trash costs to the main office account in 2017.
 - Personal Care Supply costs increased on *Schedule B-2* due to some universal precaution purchases being coded to personal supplies in 2018.
 - Workers Comp - Direct Care costs increased on *Schedule B-2* due to an overall increase in Ohio's worker's compensation rates.
 - Accounting costs increased on *Schedule C* due to the increased use of accounting services and the accounting firm's billing rates.
 - Minor Equipment costs increased on *Schedule C* due to various purchases under the \$500 capitalization threshold.

Property

1. We compared the initial square footage and year of construction of the 599 West Main Street facilities from the Ashtabula County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We reported variance for the initial year in the Appendix. We found no square footage variances exceeding 10 percent.

We also compared the square footage and year of construction for one addition and one removal from the supporting documentation to *Attachment 9, Log 1: Additional and Removals* and the Cost Report Instructions. We found no difference in the year or square footage variances exceeding 10 percent.

2. We compared the project year and cost for one renovation from the work order sheets to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the addition to the Cost Report Instructions. The Provider included a renovation that was already reported as an addition on *Attachment 9, Log 1*. We reported the removal of the renovation in Appendix A.
3. We compared the square footage and year of construction of the secondary building from *Attachment 9: Log 3: Secondary Buildings* to the Ashtabula County Property records. We found variance in the year as reported in the Appendix. We found no square footage variances exceeding 10 percent.
4. We compared equipment depreciation from *Schedule D, Analysis of Property, Plant, and Equipment* to the Depreciation Expense report. We also compared these costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances.
5. We selected one capital asset from account 8040 and calculated the first year's depreciation, based on the Cost Report instructions and useful lives prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variance exceeding \$500 resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Working Trial Balance, General Ledger and Wage Allocation Schedules to *Schedule B-1; Schedule B-2; Schedule C; Schedule C-1, Administrator's Compensation; and Schedule C-2, Owner's Relatives Compensation*. We found no variances.
2. We selected a sample of five employees and two contracted individuals reported on *Schedules B-1, B-2, C, C-1 and C-2* compared the organizational chart, job descriptions, contracts and one month of timesheets to the schedule in which each employee's salary and fringe benefit expenses were reported. We confirmed the payroll costs were properly classified, allocated and allowable in accordance with Ohio Admin. Code § 5123-7 and CMS Publication 15-1, Chapter 9 and Section 2150. We found no variances.
3. We compared the 2018 payroll costs on *Schedules B-1, B-2, C, C-1 and C-2* by chart of account code to similarly reported 2017 costs.

We obtained an explanation that the Licensed Practical Nurse payroll variance on *Scheduled B-2* increased by more than five percent and \$500 due to increased full-time equivalents.

599 West Main Corporation dba Ruth & Matthew Home
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Medicaid ICF-IID Cost Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the ODM and the DODD and is not intended to be, and should not be used by anyone other than the specified parties.



Keith Faber
Auditor of State
Columbus, Ohio

June 30, 2020

Appendix
599 West Main Corporation dba Ruth and Matthew Home
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A-1 Summary of Inpatient Days				
3. March - Authorized Days (2)	388	30	418	To add omitted days
Schedule C Indirect Care Cost Center				
32. Travel and Entertainment - 7235 - Other/Contract Wages (2)	\$ 13,963	\$ (2,614)	\$ 11,349	To capitalize costs for a purchased van
32. Travel and Entertainment - 7235 - Adjustments Increases (Decreases) (4)	\$ -	\$ (3,525)	\$ 7,824	To reclassify costs for a leased vehicle
Schedule C-3, Line 8				
Contractor Name		Driftwood Industries	Driftwood Industries	
Contract Amount	\$ -	\$ 60,911	\$ 60,911	To add an unreported contract
Goods or Services Provided		Day Hab Services	Day Hab Services	
Schedule D Capital Cost Center				
5. Depreciation - Transportation Equipment - 8050 - Adjustment Increase (decrease) (4)	\$ -	\$ 2,614	\$ 2,614	To capitalize costs for a purchased van
7. Lease and Rent - Equipment - 8065 - Adjustment Increase (decrease) (4)	\$ -	\$ 3,525	\$ 3,525	To reclassify costs for a leased vehicle
Schedule D-1 Analysis of Property, Plant and Equipment				
6. Transportation - Additions or Reductions (3)	\$ -	\$ 44,565	\$ 44,565	To add the remaining principal cost for purchased van
6. Transportation - Accumulated Depreciation End of Period (5)	\$ -	\$ 2,614	\$ 2,614	To add the 2018 accumulated depreciation for purchased van
6. Transportation - Depreciation this Period (7)	\$ -	\$ 2,614	\$ 2,614	To add the depreciation expense for purchased van
Attachment 9, Fair Rental Value Survey				
Year of Initial Construction	1998	(8)	1990	To match County Auditor's documentation
Fair Rental Value Log 2: Renovation Projects Log				
Project Description				
Line 1, Project Cost Column	\$ 154,900	\$ (154,900)	\$ -	To remove renovation already included as an addition
Fair Rental Value Log 3: Secondary Building				
Admin Building/Records Storage: Line 1, Year of Construction Column	1915	61	1976	To correct the year of construction

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RUTH AND MATTHEW HOME

ASHTABULA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 30, 2020**