



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
88 East Broad Street  
Columbus, Ohio 43215  
(614) 466-3340  
ContactUs@ohioauditor.gov

## 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 Filling Memorial Home of Mercy, Inc. dba Egly Drive Home'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 Daily Census reports. There were no computational errors. We compared the total of inpatient and leave days from the Daily Census reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected eight residents from the Daily Census reports and included residents with leave days in the selection. We obtained the medical records for the selected individuals for one month. We determined if 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; however, the ICF-IID was reimbursed for the date of discharge for one resident.

### Recoverable Finding: \$334

We compared the date of discharge to the paid claims data, and we calculated a finding in the amount of \$334 in accordance with Ohio Admin. Code § 5123-7-08.

For any residents with reimbursed leave days, we totaled leave days on the remaining Daily Census reports and found no residents had over 30 leave 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 equaled net Medicaid reimbursed days.

## Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance* to the Consolidated Trial Balance and the General Ledger Detail 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 exceeding \$500.

## Non-Payroll Expenses

1. We compared all non-payroll expenses on the Trial Balance and Income Statement to *Schedule B-1, B-2, and C*. We found variances exceeding \$500 and the ICF-IID stated it had home office costs. We obtained the Home Office Trial Balance, Home Office Allocations and Hab Utilization worksheets from the ICF-IID and along with the Trial Balance and Income Statement reperformed the comparison to *Schedule B-1, B-2 and C*. We found variances which resulted in decreased costs as reported in the Appendix.
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* 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, we performed the following procedures on each expense:
  - We determined 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 footed the invoice/documentation for accuracy. We found no computational differences. 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. 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 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 and the ICF's Depreciation/ Capitalization Policy to confirm if the expense was not a capital asset. We found no unidentified capital assets.

### Non-Payroll Expenses (Continued)

- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found no variances resulting in decreased costs. 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 Trial Balance and Home Office Allocation worksheet for *Schedules B-1, B-2, and C* 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 101 Egly Drive facility from the Williams County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no square footage difference. We found a difference in the year as reported in the Appendix.
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 no year or type variances or decreases in costs.
3. We compared equipment depreciation costs from the Depreciation Summary and General Ledger Detail to *Schedule D, Capital Cost Center*, the Cost Report Instructions. We found no variances.

We scanned the Depreciation Summary and General Ledger to identify any reported loss on *Schedule D* no in accordance with CMS Publication 15-1, § 104.10(E). We found no reported capital loss.

4. We selected one capital asset each from account 8040 and 8050 which were being depreciated in the first year. We recalculated the first year's depreciation for the two assets 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 variances for one asset resulting in decreased costs as reported in the Appendix.

### Payroll

1. We compared all salary and fringe benefits on the Trial Balance and Home Office Allocation worksheet to *Schedules B-1, B-2, and C*. We found variances resulting in decreased costs as reported in the Appendix.

We also compared hours and percentage of time worked and salaries from the Administrative Salary report to *Schedule C-1, Administrator's Compensation*. There were variances resulting in decreased costs as reported in the Appendix.

2. We obtained the General Ledger Detail and selected five employees reported on *Schedules B-2, C, and C-1* and obtained the organizational chart and job description and payroll documentation if the programs with 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 payroll documentation to the Trial Balance and 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 costs.

### **Payroll (Continued)**

- 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 non-reimbursable costs or costs that did not benefit the ICF-IID.
- 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 *C* and obtained the corresponding contracts, contract invoices, General Ledger Detail, and one month of timesheets/documentation 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 General Ledger Detail and Cost Report instructions to confirm documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H) and found no variances.
- We footed the contract invoices and found no computational errors resulting in decreased costs. We compared the invoice rates to the contracted rates and found no variances within the rates.
- 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 non-reimbursable 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 compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.4. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2021 and used the proper accounting basis in accordance with the Cost Report Instructions.

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  
May 12, 2023

**Appendix**  
**The Filling Memorial Home of Mercy, Inc. DBA Egly Drive Home**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule B-2 Direct Care Cost Center</b>				
13. Habilitation Staff - 6170 - Salary Facility Employed (1)	\$ 371,582	\$ (2)	\$ 371,580	To agree to Trial Balance and allocated Home Office costs.
37. Payroll Taxes - Direct Care - 6510 - Other/Contract Wages (2)	\$ 34,801	\$ (55)	\$ 34,746	To agree to Trial Balance and allocated Home Office costs.
42. Staff Development - Direct Care - 6550 - Salary Facility Employed (1)	\$ 3,979	\$ (794)	\$ 3,185	To agree to Trial Balance and allocated Home Office costs.
<b>Schedule C Indirect Care Cost Center</b>				
7. Food In-Facility - 7040 - Other/Contract Wages (2)	\$ 20,698	\$ (2)	\$ 20,696	To agree to Trial Balance and allocated Home Office costs.
24. Program Supplies - 7125 - Other/Contract Wages (2)	\$ 803	\$ (59)	\$ 744	To reclassify fundraising costs to non-reimbursable costs
27. Other Administrative Personnel - 7210 - Salary Facility Employed (1)	\$ 57,386	\$ (16,022)	\$ 41,364	To agree to Trial Balance and allocated Home Office costs.
31. Security Services - 7230 - Other/Contract Wages (2)	\$ 4,482	\$ (3)	\$ 4,479	To agree to Trial Balance and allocated Home Office costs.
32. Travel and Entertainment - 7235 - Other/Contract Wages (2)	\$ 8,616	\$ (119)	\$ 8,497	To agree to Trial Balance and allocated Home Office costs.
39. Accounting - 7265 - Salary Facility Employed (1)	\$ 17,593	\$ (2,844)	\$ 14,749	To agree to Trial Balance and allocated Home Office costs.
44. Help Wanted/Informational Advertising - 7290 - Other/Contract Wages (2)	\$ 139,604	\$ (136,571)		To agree to Trial Balance and allocated Home Office costs.
		\$ (18)	\$ 3,015	To reclassify gift cards to non-reimbursable costs
52. Repair and Maintenance - 7340 - Other/Contract Wages (2)	\$ 8,613	\$ (16)	\$ 8,597	To agree to Trial Balance and allocated Home Office costs.
56. Payroll Taxes - Indirect Care - 7500 - Other/Contract Wages (2)	\$ 7,914	\$ (759)	\$ 7,155	To agree to Trial Balance and allocated Home Office costs.
57. Workers' Compensation - Indirect Care - 7510 - Other/Contract Wages (2)	\$ 981	\$ (63)	\$ 918	To agree to Trial Balance and allocated Home Office costs.
58. Employee Fringe Benefits - Indirect Care - 7520 - Other/Contract Wages (2)	\$ 17,207	\$ (1,015)	\$ 16,192	To agree to Trial Balance and allocated Home Office costs.



**Appendix**  
**The Filling Memorial Home of Mercy, Inc. DBA Egly Drive Home**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule C Indirect Care Cost Center, Continued:</b>				
61. Staff Development - Indirect Care - 7535 - Other/Contract Wages (2)	\$ 237	\$ (23)	\$ 214	To agree to Trial Balance and allocated Home Office costs.
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)		\$ 18		To reclassify gift cards to non- reimbursable costs
		\$ 59	\$ 77	To reclassify fundraising costs to non-reimbursable costs
<b>Schedule C-1 Administrators Compensation Section B</b>				
Paid Weeily Hours (3)	1.33	1.07	2.40	To correct paid weekly hours
Paid Weekly Percentage (4)	3.33	2.67	6.00	To Correct paid weekly percentage
Compensation Amount (7)	\$ 4,656	\$ (946)	\$ 3,710	To correct Administrator's Compenstation
<b>Schedule D Capital Cost Center</b>				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 12,157	\$ (99)	\$ 12,058	To correct equipment depreciation
<b>Attachment 9 - Fair Rental Value Survey</b>				
Initial Construction				
Year of Initial Construction	1983	3	1986	To agree to County Auditor's records

# OHIO AUDITOR OF STATE KEITH FABER



**THE FILLING MEMORIAL HOME OF MERCY, INC. DBA EGLY DRIVE HOME**

**WILLIAMS 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 6/1/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)