



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 Gateways to Better Living, Inc. DBA Gateways to Better Living #4'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 Bed Days by Home Recap and Individual Monthly Therapeutic and Hospital Leave census reports. There were no computational errors. We compared the total of inpatient and leave days from the census reports to *Schedule A-1, Summary of Inpatient Days*. We found no omitted days.
2. We selected eight residents from the census reports and included residents with leave days in the selection. We obtained the medical records for the selected individuals 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 5123:2-3-04(I). We found no omitted days.

For any reimbursed leave days, we totaled the leave days per resident from the census reports and found one resident had over 30 leave days. We confirmed the days were not prior authorized as required by Ohio Admin. Code § 5123-7-08.

Recoverable Finding: \$14,248

We compared these 45 unauthorized days to the Summary by Service Code and calculated a finding in the amount of \$14,248 in accordance with Ohio Admin. Code § 5123-7-08.

Census Data and Medicaid Paid Claims (Continued)

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 *Attachment 1, Revenue Trial Balance* to the Detailed General Ledger 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 Detailed General Ledger 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 from the Cost Report Trial Balance and Home Office Trial Balance to *Schedule B-1, B-2, and C*. We found no variances between schedules exceeding \$500 or resulting in decreased costs.
2. We scanned the Detailed General Ledger 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 exceed \$500 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 determined if documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no 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 invoices 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 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.

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 no unidentified capital assets.
 - 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 to *Schedules B-1, B-2, and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. We found no reclassifications between schedules or adjustments resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the 1398 S Canfield Niles Road facility from the Mahoning County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no differences in the year or square footage.
2. We also compared the square footage, type, and year of construction for the only removal reported from the Mahoning County Auditor's Property records and confirmation from the Department to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. We found no difference in the year, type, or square footage.
3. We compared the project year, type, and cost for three 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. We found no year or type variances or decreases in costs.
4. We compared the square footage and year of construction of the secondary building facility at 6000 Mahoning Ave., suite 234 from the lease agreement, floor plans and Mahoning County Property records to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. There was no square footage variance. We found a variance for the year of construction as reported in the Appendix.

We also compared the utilization percentage from the Home Office Trial Balance to *Attachment 9* and the Cost Report Instructions and CMS Publication 15-1 §§ 2150 and 2302.4. We found no decreases in utilization percentage.

5. We compared equipment depreciation from the Fixed Asset Summary and Home Office Trial Balance to *Schedule D, Capital Cost Center*, and the Cost Report Instructions. We found no variances resulting in decreased costs.

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

We selected one capital asset each from account 8040 and 8090 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 the Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variances resulting in decreased costs.

Payroll

1. We compared all salary and fringe benefits on the Cost Report Trial Balance and Home Office 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 Administrative Hours worksheet to *Schedule C-1, Administrator's Compensation*. We found no variances resulting in decreased costs.

2. We obtained the Detailed General Ledger and selected five employees reported on *Schedules B-2 and C-1* and obtained the job descriptions (payroll documentation) and if the programs that 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 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 expenses.
 - 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 expenses.
 - 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 obtained the corresponding contracts and requested contract invoices and/or 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 Detailed General Ledger and the Cost Report instructions to confirm documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no unsupported expenses.
- We footed the contract invoice for one contractor and found no computational errors resulting in decreased costs. We compared the invoice rate to the contracted rate 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 unallowable 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.

Contracted Personnel (Continued)

- We compared the cost methodology and allocation statistics for one contractor's invoice 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 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 6, 2023

Appendix
Gateways to Better Living, Inc. DBA Gateways to Better Living #4
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule C Indirect Care Cost Center				
48. Home Office Costs/Indirect Care ** - 7310 - Other/Contract Wages (2)	\$ 115,989	\$ (70)		To reclassify Board member gifts to non-reimbursable costs
		\$ (52)		To reclassify Board member gifts to non-reimbursable costs
		\$ (852)		To reclassify retirement party costs to non-reimbursable costs
		\$ (471)		To reclassify staff appreciation gifts to non-reimbursable costs
		\$ (62)	\$ 114,482	To reclassify attorney fees for employee at another facility to non-reimbursable costs
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 87,948	\$ 70		To reclassify Board member gifts to non-reimbursable costs
		\$ 52		To reclassify Board member gifts to non-reimbursable costs
		\$ 852		To reclassify retirement party costs to non-reimbursable costs
		\$ 471		To reclassify staff appreciation gifts to non-reimbursable costs
		\$ 62	\$ 89,455	To reclassify attorney fees for employee at another facility to non-reimbursable costs

Attachment 9
Fair Rental Value Log 3: Secondary Buildings

Year of Construction	2003	(43)	1960	To match the County Auditor records
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GATEWAYS TO BETTER LIVING, INC. DBA GATEWAYS TO BETTER LIVING #4

MAHONING 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 5/9/2023

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