



OHIO AUDITOR OF STATE  
**KEITH FABER**





# 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

We have performed the procedures enumerated below on the Paths to Independence, Inc. DBA Paths to Independence – Vine'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 Monthly Census Summary. There were no computational errors. We compared the total of inpatient and leave days from the census summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected all six residents from the Monthly Census Summary 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 omitted days as reported in the Appendix.

For any reimbursed leave days, we totaled the leave days per resident from the Monthly Census Summary 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 the revised A-1. We found the final reported days were greater than net Medicaid reimbursed days.

## Revenue

1. We agreed the revenue on the General Ledger and Detailed Revenue report to the Medicaid Tag Statement and from the Tag Statement to *Attachment 1, Revenue Trial Balance*. We also compared the revenue 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 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 unrecorded offsets or reclassifications between schedules exceeding \$500.

## Non-Payroll Expenses

1. We compared all non-payroll expenses from the General Ledger, Administration, Residential Supervisor and Program Coordinator Allocation worksheets to the Medicaid Tag Statement and from the Tag Statement and Home Office Allocation worksheet to *Schedule B-1, B-2 and C*. We found variances resulting in decreased costs as reported in the Appendix.
2. We scanned the 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* and obtained the invoice 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 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 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 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. For these errors, we scanned the corresponding invoices to identify any additional similar errors or misclassifications and found none.

### 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 Medicaid Tag Statement for *Schedules B-1, B-2 and C* to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150 and found Home Office allocations were based on costs from the previous reporting period. The ICF-IID provided a revised Home Office Allocation worksheet and we reperformed the comparison. There were no variances resulting in decreased costs.

### Property

1. We compared the initial square footage and year of construction of the 923 Vine facility from the Portage County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no differences in the year or square footage variances exceeding 10 percent.
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. We found no year or type variances or variances resulting in decreased costs.
3. We compared the square footage and year of construction of the 565 E Lake Street secondary building from the Portage County Property records to *Attachment 9: Log 3: Secondary Buildings* and the Cost Report instructions. We found no variances.

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

4. We compared equipment and home office depreciation costs from the Monthly Extended Depreciation Reports and Home Office Allocation worksheet to *Schedule D, Capital Cost Center*, the Cost Report Instructions. We found no variances resulting in decreased costs.

We scanned the Monthly Extended Depreciation Reports 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.

5. We selected one capital asset from account 8090 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 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 General Ledger and Administration, Residential Supervisor and Program Coordinator Allocation worksheets to the Medicaid Tag Statement and from the Tag Statement 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 CO Cost Allocation, Administrative Allocation and 2021 Management Allocation for Program Coordinator and Residential Supervisor worksheets to *Schedule C-1, Administrator's Compensation*. We found variances reported in the Appendix.

2. We obtained the Organizational chart and Detail by Employee Department report and selected five employees reported on *Schedules B-1, B-2, C, C-1 and C-2* and obtained the job description and employment payment summary (payroll documentation) and 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 General Ledger and 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 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 variances resulting in decreased costs.
- 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 the one contracted personnel reported on *Schedules B-2* and obtained the corresponding contract, contract invoice, 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 and 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 and found no computational errors resulting in decreased costs. We compared the invoice rate to the contracted rate and found no variance within the rate.

**Contracted Personnel (Continued)**

- 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 8, 2023

**Appendix**  
**Paths to Independence, Inc. DBA Paths to Independence - Vine**  
**Medicaid ICF-IID Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Schedule A-1 Summary of Inpatient Days</b>				
1. January - Therapeutic Leave Days (4)	0	27	27	To add omitted Days billed in January
<b>Schedule B-2 Direct Care Cost Center</b>				
9. Activity Staff - 6140 - Other/Contract Wages (2)	\$ 2,850	\$ (390)	\$ 2,460	To agree to actual costs
32. Travel and Entertainment - 7235 - Other/Contract Wages (2)	\$ 2,595	\$ (64)	\$ 2,531	To agree to actual costs
48. Home Office Costs/Indirect Care ** - 7310 - Other/Contract Wages (2)	\$ 18,229	\$ (289)		To reclassify employee recognition gifts to non-reimbursable costs
		\$ (292)		To reclassify employee recognition gifts to non-reimbursable costs
		\$ (15)		To reclassify Supported Living Expense not allocable to ICF
		\$ (35)		To reclassify employee recognition gifts to non-reimbursable costs
		\$ (111)	\$ 17,487	To reclassify Supported Living Expense not allocable to ICF
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ -	\$ 289		To reclassify employee recognition gifts to non-reimbursable costs
		\$ 292		To reclassify employee recognition gifts to non-reimbursable costs
		\$ 15		To reclassify Supported Living Expense not allocable to ICF
		\$ 35		To reclassify employee recognition gifts to non-reimbursable costs
		\$ 111	\$ 742	To reclassify Supported Living Expense not allocable to ICF
<b>Schedule C-1 - Administrators Compensation Section B</b>				
Paid Weekly - Hours (3)	3.00	-0.60	2.40	To revise hours worked weekly to match allocation worksheet
Paid Weekly - % (4)	7.50	-1.50	6.00	To agree to percentage worked weekly to match allocation worksheet



# OHIO AUDITOR OF STATE KEITH FABER



**PATHS TO INDEPENDENCE, INC. DBA PATHS TO INDEPENDENCE-VINE**

**PORTAGE 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 6/22/2023**

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