



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Up Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
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We have performed the procedures enumerated below on the Western Reserve Area Agency on Aging's Medicaid Waiver Cost Report (Cost Report) and certain compliance requirements related to contract monitoring for the year ended June 30, 2021 included in the information provided to us by the management of the Western Reserve Area Agency on Aging. The Western Reserve Area Agency on Aging is responsible for completion of the Cost Report and contract monitoring as required by the Agreement between the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA) and the PASSPORT Administrative Agency (PAA).

The ODM and the ODA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Cost Report. 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 this report and may not meet the needs of all users of this 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:

Revenue

1. We agreed the revenue on *Final Page A* to the Client Liability worksheet, Normal Trial Balance and agreed the Transfer-In amount to the prior year Cost Report. There were no variances exceeding \$1,000.
2. We agreed each client liability amount on *Final C Page* to the Client Liability worksheet and we agreed the beginning receivable to the Prior Year Cost Report. There were no variances.

Square Footage

We compared the Square Footage Summary to the February and September Monthly Square Footage Allocation worksheets used to allocate costs to the Passport waiver worksheet. There were no square footage variances exceeding 10 percent.

Trial Balance and Non-Payroll Expenses

1. We agreed the disbursements on the Normal Trial Balance to the Data Entry and Allocation Worksheet and from the allocation worksheet to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. There were no variances.

Trial Balance and Non-Payroll Expenses (Continued)

2. We compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail* and calculated the variance. The calculated variance did not exceed one half percent of total PIMS costs and we confirmed the Cost Report contained an explanation of the variance.
3. For each waiver worksheet, we calculated five percent of the total of all non-payroll cost report accounts and identified any cost report accounts with a total that exceeds the five percent threshold. We scanned the Detailed General Ledger for potential unallowable or improperly allocated costs per 2 CFR 200 Subpart E that impact the identified account codes and selected 60 disbursements including items identified in the scan.

We obtained the invoice and/or contract for each selected expense and;

- We confirmed documentation for the full cost was not maintained as required by PAA Medicaid Waiver Cost Report Instructions (Cost Report Instructions) and 2 CFR 200.403(g) for one invoice as reported in the Appendix.
- We footed the invoice/documentation for accuracy and found no computational differences resulting in decreased costs on *Worksheet 1*.
- For invoices with a corresponding contract, we compared the invoice rate to the contracted rate and found no differences resulting in decreased costs.
- We compared documentation for each expense to the unallowable categories listed in 2 CFR part 200.400 - .475. There were variances for non-federal reimbursable costs as reported in the Appendix. For any errors found, we scanned the corresponding invoice(s) and found no additional similar errors.
- We compared the documented non-payroll expense and type of expense to the worksheet and account classification on the Cost Report and with the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no account reclassifications between cost report accounts exceeding \$1,000 per row.
- We documented the name and type of expense and if the purpose was unclear, inquired with PAA to confirm if the business purpose of the expense benefitted the PAA's Medicaid Waiver Programs in accordance with 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and did not benefit other programs.
- We compared the documented cost and type of expense to the PAA's Depreciation/Capitalization Policy and confirmed no expenses were capital assets.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302. There were no differences which resulted in decreased costs.
- We confirmed each amount was recorded on the accrual basis, in accordance with the Cost Report Instructions, by agreeing the date/time period of the invoice/documentation to the Cost Reporting period. There were no differences resulting in decreased costs.

Payroll

1. We agreed salaries and benefits from the Trial Balance to the Data Entry and Allocation Worksheet and from the allocation worksheet to *Worksheet 1* for each waiver. There were no variances.

We compared the first and last pay periods on the Wage and Time Study Allocation reports to the Detailed General Ledger to confirm employee payroll expenses were reported on the accrual basis. There were no variances.

2. We obtained the Employee Roster and Wage Allocation worksheets and counted the total number of employees reported on *Worksheet 1*. We selected a sample of the lessor of 10 employees or 25 percent of the number of total employees reported on *Worksheet 1*. We performed the following procedures on each of the 10 employees in the sample:

- We compared the employee payroll documentation (Wage and Time Study Allocation reports, chart of accounts, job description and if the programs which benefit from the employees work is unclear, we inquired with the PAA) to the unallowable categories listed in 2 CFR part 200.400 - .475. There were no differences.
- We compared the employee documentation to 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and confirmed the cost benefitted the Medicaid program and did not benefit other programs.
- We compared the employee payroll documentation to the worksheet and account classification on the Cost Report and the Cost Report Instructions and the PAA's Cost Allocation Policy. There were no variances which resulted in reclassifications between cost report accounts exceeding \$1,000.
- We compared the cost methodology and allocation statistics for each employee payroll expense to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302. There were no differences.

Property

1. We agreed capital costs on the Depreciation Schedule and the Detailed General Ledger to the Data Entry and Allocation worksheet and from the Allocation worksheet to *Worksheet 1*. There were no differences.
2. We compared the final FY 21 Depreciation Schedule to the FY 20 Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to FY 21, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years or depreciation which was not in compliance with the Cost Report Instructions. There were no reclassifications exceeding \$1,000 or variances resulting in decreased costs.
3. We scanned the Depreciation schedule and Detailed General Ledger and found no losses on capital assets reported on *Worksheet 1*.
4. We scanned the Detailed General Ledger for items purchased during the reporting period that met the capitalization criteria and found none.

Contract Monitoring

We obtained the PAA's written procedures and supporting documentation related to performing provider oversight processes in accordance with Section III (A)(3)(d)(ii) in its Three Party Agreement. We selected five providers for each type of provider oversight, including five pre-certification and five structural reviews and five providers with adverse findings and compared supporting documentation to the written procedure requirements. There were no differences.

We conducted our engagement in accordance with 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 PAA's Cost Report and compliance with contract monitoring requirements. 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.

We are required to be independent of the PAA 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

February 3, 2023

Appendix
Western Reserve Area Agency on Aging
Independent Accountants' Report on
Applying Agreed-Upon Procedures

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM		PASSPORT			COST REPORT					
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
3	1	3	Service Contracts	Assessment	To remove non-federal reimbursable late fee charges	2 CFR 200.404 and 200.441	\$163,056	(\$14)	\$163,042	
3	1	3	Service Contracts	Case Mgmt.	To remove non-federal reimbursable late fee charges	2 CFR 200.404 and 200.441	\$195,705	(\$17)	\$195,688	
3	1	3	Service Contracts	General Admin.	To remove non-federal reimbursable late fee charges	2 CFR 200.404 and 200.441	\$78,628	(\$8)	\$78,620	
3	1	3	Service Contracts	Screening	To remove non-federal reimbursable late fee charges	2 CFR 200.404 and 200.441	\$96,481	(\$3)	\$96,478	
1	1	7	Supplies	Assessment	To remove costs of goods for personal use not necessary for operations and performance of federal award.	2 CFR 200.404 and 200.445	\$39,891	(\$19)		
2	1	7	Supplies	Assessment	To remove unsupported portion of supply costs.	2 CFR 200.403(g)		(\$6)	\$39,866	
1	1	7	Supplies	Case Mgmt.	To remove costs of goods for personal use not necessary for operations and performance of federal award.	2 CFR 200.404 and 200.445	\$39,255	(\$23)		
2	1	7	Supplies	Case Mgmt.	To remove unsupported portion of supply costs.	2 CFR 200.403(g)		(\$8)	\$39,224	
1	1	7	Supplies	General Admin.	To remove costs of goods for personal use not necessary for operations and performance of federal award.	2 CFR 200.404 and 200.445	\$13,585	(\$11)		
2	1	7	Supplies	General Admin.	To remove unsupported portion of supply costs.	2 CFR 200.403(g)		(\$3)	\$13,571	

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PROGRAM		PASSPORT								
COST REPORT										
Finding Number	Work sheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost	
1	1	7	Supplies	Screening	To remove costs of goods for personal use not necessary for operations and performance of federal award.	2 CFR 200.404 and 200.445	\$12,121	(\$5)		
2	1	7	Supplies	Screening	To remove unsupported portion of supply costs.	2 CFR 200.403(g)		(\$2)	\$12,114	

Total Effect on Cost Report

(\$119)

OHIO AUDITOR OF STATE KEITH FABER



WESTERN RESERVE AREA AGENCY ON AGING

CUYAHOGA 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 3/2/2023

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