



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 Blossom Hill, Inc. DBA Center Ridge House's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022 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, 2022 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 has 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, 2022, and certain compliance requirements related to the Cost Report and Medicaid services. Additionally, the Ohio Department of Developmental Disabilities has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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 census reports to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected two 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 confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code § 5123-7-12(H) and 5123-3-04(J). We found no omitted days.

For any reimbursed leave days, we obtained the remaining Daily Census reports and any prior authorization documentation. We totaled the leave days per resident and, for any days over 30, we confirmed that all leave days were prior authorized as required by Ohio Admin. Code § 5123-7-08(E) except 18 unauthorized days for one resident during March and April 2022.

Recoverable Finding: \$6,382.80

We calculated a finding in the amount of \$6,382.80 for eighteen unauthorized days in accordance with Ohio Admin. Code § 5123-7-08(E).

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 are greater than net Medicaid reimbursed days.

Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance* to the General Ledger and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances.
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 unreported offsets.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the General Ledger to *Schedule B-1, B-2 and C*. We found no variances.
2. We scanned the General Ledger report 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 from *Schedules B-1, B-2 and C* that exceed \$500 including a minimum of two contract personnel/position vouchers 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 confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found variances resulting in decreased costs as reported in the Appendix.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. 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-federal reimbursable costs as reported in the Appendix. For these errors, we scanned the General Ledger for other like errors in the same cost center and total all identified errors 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 variances between schedules exceeding \$500 as reported in the Appendix. For these errors, we scanned the General Ledger for other like errors in the same cost center and found none.

Non-Payroll Expenses (Continued)

- 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 cost that did not benefit the ICF-IID as reported in the Appendix. For these errors, we scanned the General Ledger for other like errors in the same cost center and found none.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 to confirm that the expense was not a capital asset. We found an expense was a capital asset and reported variances to remove the expense and include depreciable costs as reported in the Appendix.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.

Property

1. We compared the initial square footage and year of construction of the ICF-IID facility at 28700 Center Ridge Road from the Cuyahoga County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were no differences in the square footage exceeding 10 percent. There were variances in the initial year of construction as reported in the Appendix.
2. We compared the project year, type and cost for five recent renovations from the invoices or other supporting documentation] to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the addition to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared equipment depreciation and lease costs from the Depreciation Schedule and the General Ledger to *Schedule D, Capital Cost Center*, the Cost Report Instructions. There were no variances. We scanned the Depreciation Schedule and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

Payroll

1. We compared all salary and fringe benefits on the General Ledger to *Schedules B-1, B-2, and C*. We found no variances.

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

2. We obtained the Payroll Journal and selected five employees reported on *Schedules B-1, B-2, C* and all employees on *C-1* and if the programs which 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 Payroll Journal to the General Ledger and the Cost Report and confirmed documentation for the full salary and benefit costs was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found variances for unsupported expenses as reported in the Appendix.
 - We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and confirmed the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4.

Payroll

- We compared the employee job description and salary and benefit costs on Payroll Journal to the General Ledger and the General Ledger 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 employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 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 15, 2024

Appendix

**Blossom Hill, Inc. dba Center Ridge House
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
8. Water and Sewage - 6030 - Other/ Contract Wages (2)	\$ 6,198	\$ (25)	\$ 6,173	To reclassify late fees to non-reimbursable costs
Schedule B-2 Direct Care Cost Center				
2. Medical Supplies - Medicare Non-Billable, Other - 6001	\$ 34,794	\$ (443)		To reclassify legend drugs to non-reimbursable costs
		\$ (443)	\$ 33,908	To reclassify legend drugs to non-reimbursable costs
6. Licensed Practical Nurse - 6125 - Salary Facility Employed (1)	\$ 271,012	\$ (240)	\$ 270,772	To reclassify unsupported LPN payroll costs
40. Employee Fringe Benefits, Direct Care - 6530 -Other/Contract Wages (2)	\$ 63,596	\$ (3,200)	\$ 60,396	To reclassify employee gift cards to non-reimbursable
43. Staff Development - Direct Care - 6550 - Other/ Contract Wages (2)	\$ 3,602	\$ (828)	\$ 2,774	To reclassify expense lacking supporting documentation
Schedule C Indirect Care Cost Center				
26. Administrator - 7200 - Salary Facility Employed (1)	\$ 226,740	\$ (3,443)	\$ 223,297	To agree administrators Salary to Payroll Journal
29. Office & Administrative Supplies - 7220 - Other/ Contract Wages (2)	\$ 8,532	\$ (264)	\$ 8,268	To reclassify expenses allocable to another ICF and late fees
53. Minor Equipment - 7350 - Other/ Contract Wages (2)	\$ 4,430	\$ (1,787)	\$ 6,217	To remove computer costs and report depreciation
64. Legend Drugs, Other - 9705	\$ -	\$ 443		To reclassify legend drugs to non-reimbursable costs
		\$ 443	\$ 886	To reclassify legend drugs to non-reimbursable costs
68. Other Non-Reimbursable - Specify Below - 9725 - Salary (1)	\$ -	\$ 240	\$ 240	To remove unsupported LPN payroll costs
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ -	\$ 828		To reclassify expense lacking supporting documentation
		\$ 3,200		To reclassify employee gift cards to non-reimbursable
		\$ 240	\$ 4,268	To reclassify expenses allocable to another ICF
69. Late Fees, Fines, Penalties	\$ -	\$ 25		To reclassify late fees to non-reimbursable costs
		\$ 24	\$ 49	To reclassify late fees to non-reimbursable costs
Schedule C-1 Administrators Compensation				
Lisa Kristoski, Section B				
Paid Weekly - Hours	16	0.67	16.67	To agree weekly hours to allocation
Paid Weekly - Percentage	40	1.67	41.67	To agree weekly percentage to allocation
Compensation Amount	\$ 96,497	\$ (5,138)	\$ 91,359	To agree Administrator's Compensation to payroll reports

**Appendix
 Blossom Hill, Inc. dba Center Ridge House
 Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule D Capital Cost Center				
4. Depreciation - Equipment - 8040 Total (3)	\$ 17,308	\$ 347	\$ 17,655	To remove computer costs and report depreciation
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Year of Initial Construction	1986	2	1988	To correct the year of initial construction to actual per County Auditors property records.

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BLOSSOM HILL, INC. DBA CENTER RIDGE HOUSE

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 5/9/2024

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