



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
Columbus, Ohio 43215

RE: Hattie Larlham Center for Children with Disabilities
Ohio Medicaid Number 0244828

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD), on the Medicaid ICF-IID Cost Report of the Hattie Larlham Center for Children with Disabilities (hereafter referred to as the Provider) for the period January 1, 2017 through December 31, 2017. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report. The sufficiency of these procedures is solely the responsibility of ODM and DODD. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, Hattie Larlham Center for Children with Disabilities provided all reports used in the procedures and this report only describes exceptions exceeding \$500 resulting in decreased costs.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Monthly Medicaid Facility Census reports to *Schedule A-1, Summary of Inpatient Days*. We found *Schedule A-1* days were greater than the total census reports.
2. We obtained 12 residents' medical records for May 2017 and compared total days of care with the inpatient days on the Monthly Medicaid Facility Daily Census reports and *Schedule A-1*. We found total patient days equaled days reported. We also found that the Provider did not include any waiver respite days as Medicaid or Medicare days.
3. We compared the number of paid Medicaid days per the Quality Decision Support System (QDSS) with the total Medicaid days on *Schedule A-1*. We found reported days exceeded paid days.

Medicaid Paid Claims

1. We selected paid claims from QDSS for the 11 Medicaid recipients in the Occupancy and Usage procedure above for May 2017 and compared the paid days to the residents' medical records. We found no variances.

We also compared the medical records to the general requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123:2-7-12 5123:2-7-08(C) to (I) for an occupied or bed hold day; and Ohio Admin. Code § 5123:2-7-15 for the payment adjustment requirements for resident's admission, discharge or death. We found no differences.

Revenue

1. We compared the Historical Detailed Trial Balance with *Attachment 1, Revenue Trial Balance* and Appendix to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1. We found no differences.
2. We scanned the Historical Detailed Revenue Ledger for any revenue offsets or applicable credits which were not reported 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* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapters 1, 6 and 8.

We found worker's compensation rebates exceeding \$500 on *Attachment 1* and we reported these amounts as applicable credits/revenue offsets in the Appendix.

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedule B-1, Schedule B-2 and Schedule C* to the Historical Detailed Trial Balance, Medicaid Cost Report Adjusting Journal Entries report, Trial Balance Download Sheet, Home Office Care Group Allocation and Historical Trial Balance Summary. We found no variances.
2. We scanned the Historical Detailed Trial Balance and selected 20 non-payroll expenses that were reported on *Schedule B-1, Schedule B-2 or Schedule C*. We inspected supporting documentation and compared the allocation and cost classification to Ohio Admin. Code § 5123:2-7, Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no variances.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We found no unreported contracts.
4. We compared the allocation methodology on the Home Office Care Group Allocation and Historical Trial Balance Summary to the Home Office costs on *Schedule B-1, Schedule B-2 and Schedule C*, Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1, Section 2150. We found no reclassifications or adjustments resulting in decreased costs exceeding five percent.
5. We compared the 2017 non-payroll costs reported on *Schedule B-1, Schedule B-2 and Schedule C* by chart of account code to similarly reported costs in 2016. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Home Office Costs increased on *Schedule B-1* due to the consolidation of account codes in 2017 which made sure all costs were properly included;
 - Payroll Taxes - Direct Care costs and Worker's Compensation costs increased on *Schedule B-2* due to greater salary costs;
 - Security Service costs increased on *Schedule C* due to increased use of BCI background checks for new hires from increased staff turnover; and
 - Late Fees, Fines & Penalty costs increased on *Schedule C* due to an invoice received from ODM that represented a fine.

Property

1. We compared the initial square footage and year of construction of the 9772 Diagonal Road facility from the Portage County Auditor's property records and floor plan to *Attachment 9, Fair Rental Value Survey*. We found differences in the year of construction as reported in the Appendix. We found no square footage variances exceeding 10 percent.

Property (Continued)

We also compared the square footage and year for two additions from the floor plans to *Attachment 9, Log 1: Additions and Removals*. We found no differences in the year. We found a square footage variance in one addition exceeding 10 percent as reported in the Appendix.

2. We compared the project year and cost for five renovations from invoices to the *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the addition to the Cost Report Instructions for ICF-IID. We found no variances.
3. We compared the square footage of the Twinsburg home offices on *Attachment 9, Log 3: Secondary Buildings* to lease documents and the year of construction to the Summit County Auditor's property tax records. We found no differences.

We also compared the utilization percentage from the Home Office Care Group Allocation report to *Attachment 9* and the allocation methodology to the Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no differences.

4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the depreciation schedules and leases. We also compared these costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Historical Detailed Trial Balance, Medicaid Cost Report Adjusting Journal Entries report, Trial Balance Download Sheet, Home Office Care Group Allocation and Historical Trial Balance Summary to *Schedule B-1, Schedule B-2, Schedule C, and Schedule C-1, Administrator's Compensation*. We found no variances.
2. We selected five employees reported on *Schedule B-1, Schedule B-2, Schedule C and C-1* and compared the job descriptions, Historical Detailed Trial Balance and Account Code Lookup report to the reported schedule. We confirmed the payroll costs were properly classified, allocated and allowable in accordance with Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Chapter 9 and Section 2150.
3. We compared the 2017 payroll costs reported on *Schedule B-1, Schedule B-2, Schedule C, and Schedule C-1* by chart of account code to similarly reported 2016 costs. We obtained explanations for five payroll variances that increased by more than five percent and \$500:
 - Registered Nurse costs increased on *Schedule B-2* due to additional staff hires, pay rate increases and overtime;
 - Dietician costs increased on *Schedule C* due to the timing of partial year wages in 2016 compared to a full year's salary in 2017;
 - Data Services costs increased on *Schedule C* due to the 2016 report including only one department whereas the 2017 amount includes all departments;
 - Home Office Costs for Indirect Care increased on *Schedule C* due to the consolidation of account codes in 2017 which made sure all costs were properly included; and
 - Administrator costs increased on *Schedule C-1* due to salary increases and a joint transition plan.

Hattie Larlham Center for Children with Disabilities
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Medicaid ICF-IID Cost Report. 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.

This report is intended solely for the information and use of the Provider, ODM and DODD, and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

June 6, 2019

Appendix
Hattie Larlham Center for Children with Disabilities
Medicaid ICF-IID- Cost Report Adjustments

	Reported Amount		Correction		Corrected Amount	Explanation of Correction
Schedule B1 Other Protected Costs						
20. Workers' Compensation - Other Protected - 6055 - Adjustments Increases (Decreases) (4)	\$ -		\$ (28)		\$ (28)	To record offset from Attachment 2
Schedule B-2 Direct Care Cost Center						
39. Workers' Compensation - Direct Care - 6520 - Adjustments Increases (Decreases) (4)	\$ -		\$ (66,671)		\$ (66,671)	To record offset from Attachment 2
Schedule C Indirect Care Cost Center						
13. Workers' Compensation - Dietary - 7065 Adjustments Increases (Decreases) (4)	\$ -		\$ (7,364)		\$ (7,364)	To record offset from Attachment 2
57. Workers' Compensation - Indirect Care - 7510 Adjustments Increases (Decreases) (4)	\$ -		\$ (13,646)		\$ (13,646)	To record offset from Attachment 2
Attachment 2						
2. Offset Worker's compensation, (1) Revenue Chart of Account #				5400	5400	To add offset for rebates
2. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -		\$ (28)		\$ (28)	To add offset for rebates
2. Offset Worker's compensation, (5) Expense Chart of Account #				6055	6055	To add offset for rebates
2. Offset Worker's compensation, (6) Revenue Reference Attachment 1				59	59	To add offset for rebates
3. Offset Worker's compensation, (1) Revenue Chart of Account #				5400	5400	To add offset for rebates
3. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -		\$ (66,671)		\$ (66,671)	To add offset for rebates
3. Offset Worker's compensation, (5) Expense Chart of Account #				6520	6520	To add offset for rebates
3. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line				59	59	To add offset for rebates
4. Offset Worker's compensation, (1) Revenue Chart of Account #				5400	5400	To add offset for rebates
4. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -		\$ (7,364)		\$ (7,364)	To add offset for rebates
4. Offset Worker's compensation, (5) Expense Chart of Account #				7065	7065	To add offset for rebates
4. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line				59	59	To add offset for rebates
5. Offset Worker's compensation, (1) Revenue Chart of Account #				5400	5400	To add offset for rebates
5. Offset Worker's compensation, (3) Other Increase (Decrease)	\$ -		\$ (13,646)		\$ (13,646)	To add offset for rebates
5. Offset Worker's compensation, (5) Expense Chart of Account #				7510	7510	To add offset for rebates
5. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line				59	59	To add offset for rebates
Attachment 9, Fair Rental Value Survey						
Initial Construction						
Year of Initial Construction		1963		2	1965	To match county property records
Fair Rental Value Log 1: Additions and Removals						
Line 8, Change in Square Footage		24,383		(13,318)	11,065	To agree to floor plan

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OHIO AUDITOR OF STATE KEITH FABER



HATTIE LARLHAM CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2019**