



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

RE: Miller Holdings Alliance Inc.
Ohio Medicaid Number 0078146

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 Miller Holdings Alliance Inc. (hereafter referred to as the Provider) for the period January 1, 2018 through December 31, 2018. 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, Miller Holdings Alliance Inc. provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Detailed Census Reports to *Schedule A-1, Summary of Inpatient Days*. We found no unreported days.
2. We selected eight residents' medical records for one month during February, March, May and December 2018 and compared the total days in care with inpatient days reported on the Detailed Census Reports and *Schedule A-1*. We found no omitted days.

Revenue

1. We compared the Historical Detailed Trial Balance and Working Trial Balance with *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123-7-12, and CMS Publication 15-1. We found no variances.
2. We scanned the Historical Detailed Trial Balance 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 did not identify any revenue offsets/applicable credits.

Medicaid Paid Claims

1. We selected paid claims from the Quality Decision Support System for the eight residents in the Occupancy and Usage procedure above and compared the reimbursed days to the days documented per the residents' medical records.

Medicaid Paid Claims, Continued

We also compared the medical records to the general requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123-7-12, 5123:2-3-04, and 5160-1-17.2; and the payment adjustment requirements for resident's admission, discharge or death in Ohio Admin. Code § 5123:2-7-15. We found no exceptions.

In addition, we compared the medical records and documentation of the authorized bed hold days in excess of 30 in a calendar year to the paid claims data and calculated a finding for any unauthorized bed hold days not in compliance with Ohio Admin. Code § 5123:2-7-08. We did not find any waiver respite days which were not in compliance with Ohio Admin. Code § 5123:2-7-03.

Recoverable Finding: \$ 4,119.43

The Provider was reimbursed for 13 unauthorized bed hold days for one recipient. We calculated a recoverable finding based on the payments for these 13 days.

2. We compared the reimbursed Medicaid days with the total Medicaid days on *Schedule A-1*. We found the reported days equaled the paid days.

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, Working Trial Balance, and Home Office Costs and Active Treatment reports. We found no variances.
2. We scanned the Historical Detailed Trial Balance and selected 20 non-payroll expenses and five home office expenses from *Schedules B-1*; *B-2*; and *C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found reclassifications between schedules as reported in the Appendix.
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 methodology used in the Home Office Costs report for *Schedules B-1*, *B-2* and *C* to Ohio Admin. Code § 5123:7-12 and CMS Publication 15-1, Section 2150. We found no reclassifications or adjustments resulting in decreased costs exceeding five percent.
5. We compared the 2018 non-payroll costs reported on *Schedules B-1*, *B-2* and *C* by chart of account code to similar reported costs in 2017. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Active Treatment Off-Site costs increased on *Schedule B-2* due to an increase in the total number of workshop days for residents;
 - Employee Fringe Benefits - Direct Care costs increased on *Schedule B-2* due to increase in self-funded healthcare claims;
 - Dietary Supplies and Expenses costs increased on *Schedule C* due to equipment repairs and new equipment purchases;
 - Program Supplies costs increased on *Schedule C* due to increased census and increase of community activities; and
 - Consulting and Management Fees - Indirect costs increased on *Schedule C* due to management fees increasing from 2.5 percent to 5 percent mid-year.

Property

1. We compared the initial square footage and year of construction of the 2720 Beechwood Avenue NE facilities from the Stark 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.

We did not test *Attachment 9, Log 1: Additional and Removals* as the Provider did not report any additions or removals.

2. We compared the project year and cost for five renovations from the invoices to *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 and year of construction of the secondary building from *Attachment 9: Log 3: Secondary Buildings* to the lease documents. We found no variances.

We also compared the utilization percentage from the Home Office Costs Schedule to *Attachment 9* and the allocation methodology to the Cost Report and CMS Publication 15-1. We found no variances exceeding 10 percent.

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

We selected one capital asset from account 8040 and calculated the first year's depreciation based on the Cost Report instructions and useful lives prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variances exceeding \$500 resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Working Trial Balance, Historical Detailed Trial Balance, Allocation of Benefits and Payroll Taxes report, and the Owner and Administrator Wage Allocation reports to *Schedule B-1; Schedule B-2; Schedule C and Schedule C-1, Administrator's Compensation*. We found no variances.
2. We selected a sample of five employees reported on *Schedules B-1, B-2, C and C-1* and compared the job descriptions and Historical Detailed Trial Balance to the schedule in which each employee's salary and fringe benefit expenses were reported. We confirmed the payroll costs were properly classified, allocated and allowable in accordance with Ohio Admin. Code § 5123-7 and to CMS Publication 15-1, Chapter 9 and Section 2150. We found no variances.
3. We compared the 2018 payroll costs on *Schedules B-1, B-2, C, and C-1* by chart of account code to similarly reported 2017 costs. We obtained explanations for three payroll variances that increased by more than five percent and \$500:
 - Habilitation Supervisor costs increased on *Schedule B-2* due to wage increases;
 - Dietitian costs increased on *Schedule C* due to an increase in census and an increase in dietary needs of the residents; and
 - Plant Operations and Maintenance costs increased on *Schedule C* due to changing position from part time to full time.

Miller Holdings Alliance, Inc.
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 ODM and the 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 30, 2020

Appendix
Miller Holdings Alliance Inc.
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount		Correction		Corrected Amount	Explanation of Correction
Schedule C Indirect Care Cost Center						
43. Data Services - 7285 - Other/Contract Wages (2)	\$ 16,618	\$	(909)	\$	15,709	To reclassify laptop as a capital asset
Schedule D, Capital Cost Center						
4. Depreciation - Equipment - Total (3)	\$ 4,750	\$	76	\$	4,826	To reclassify laptop as a capital asset
Schedule D-1 Analysis of Property, Plant and Equipment						
5. Equipment - Additions or Reductions (3)	\$ 2,442	\$	909	\$	3,351	To reclassify laptop as a capital asset
5. Equipment - Accumulated Depreciation End of Period (5)	\$ 26,988	\$	76	\$	27,064	To reclassify laptop as a capital asset
5. Equipment - Depreciation this Period (7)	\$ 4,750	\$	76	\$	4,826	To reclassify laptop as a capital asset

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OHIO AUDITOR OF STATE KEITH FABER



MILLER HOLDINGS ALLIANCE, INC.

STARK 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
JULY 14, 2020**