



OHIO AUDITOR OF STATE
KEITH FABER





Medicaid Contract Audit
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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 intermediate care facility for individuals with intellectual disabilities, REM Ohio Inc., DBA REM Ohio – Beech Street's (the ICF-IID) Medicaid ICF-IID Cost Report and Medicaid payments for the year ended December 31, 2019 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 Medicaid ICF-IID Cost Report for the year ended December 31, 2019 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Department of Medicaid and the 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, 2019, 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:

Occupancy and Usage

1. We footed the Monthly Census reports. There were no computational errors.

We compared the Medicaid and non-Medicaid patient days from the Monthly Census reports to the Summary of Inpatient Days report and the Summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.

2. We selected all three residents' medical records for one month in 2019 and compared the total days of care with inpatient days on the Monthly Census reports and *Schedule A-1*. There were no omitted days.

Medicaid Paid Claims

1. We selected paid claims from the Quality Decision Support System (QDSS) for all three residents selected in the Occupancy and Usage procedure and compared the reimbursed days to the days documented per the resident's medical records and the payment adjustment requirements for resident's admission, discharge or death in the Ohio Admin. Code § 5123:2-7-15. There were no unsupported or unallowable days.

Medicaid Paid Claims (Continued)

We compared the medical records and documentation of authorized bed hold days in excess of 30 in a calendar year and any waiver respite days to the paid claims data. There were no bed hold days in excess of 30 days and no waiver respite days.

2. We compared the total number of reimbursed days per QDSS with the total Medicaid days on *Schedule A-1*. The reported days equaled paid days.

Revenue

1. We compared the General Ledger and Medicaid Cost Report Trial Balance, and Adjusting Journal Entries worksheet to *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123-7-12, and CMS Publication 15-1. There were no variances.
2. We scanned the General Ledger, Medicaid Cost Report Trial Balance, and Adjusting Journal Entries worksheet 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 reported these amounts in the Appendix as applicable credits/revenue offsets in accordance with CMS Publication 15-1, § 804.

Non-Payroll Expenses

1. We compared all non-payroll expenses on the Cost Pools, State and Central Allocation and Download worksheets to the Adjusting Journal Entries worksheet and the Adjusting Entries worksheet to Medicaid Cost Report Trial Balance and the Trial Balance to *Schedule B-1, B-2 and C*. There were no variances.
2. We scanned the general ledger reports and selected 30 non-payroll expenses and 10 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 to confirm costs were properly allocated, classified, and allowable. There were no reclassifications between schedules; however, we found adjustments resulting in decreased costs and non-federal reimbursable costs as reported in the Appendix.
3. We compared the cost methodology used in the State and Central Regional Home Office Allocation worksheets for *Schedules B-1, B-2 and C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, Section 2150. There were no variances.

Property

1. We compared the initial square footage and year of construction of the 1124 Beech Street facility from the Knox County Auditor's Property records and square footage summary to *Attachment 9, Fair Rental Value Survey*. There were no differences.
2. We compared the project year and cost for five recent renovations from the vendor 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. There were no variances in the year or decreases in cost.

Property (Continued)

3. We compared the square footage and year of construction for the office located at 6402 East Main Street from lease agreements and Franklin County Property Tax records to *Attachment 9, Log 3: Secondary Buildings*. There were no year variance or square footage variance exceeding 10 percent. We also compared the utilization percentage from the Central Allocation File Worksheet to *Attachment 9*, the Cost Report Instructions and CMS Publication 15-1. There were no variances.
4. We compared equipment depreciation and home office capital costs from the Depreciation schedule and Adjusting Journal Entries worksheet to *Schedule D, Capital Cost Center*, the Cost Report Instructions and CMS Publication 15-1. There were no variances.

We selected one capital asset from accounts 8040 and 8090 which were being depreciated in the first year. We recalculated the first year's depreciation for the two assets selected based on the Cost Report instructions, the useful lives prescribed in the 2018 American Hospital Association Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and reported a variance resulting in decreased costs in the Appendix.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries on the Cost Pools, State and Central Allocation worksheets to the Adjusting Journal Entries worksheet and the Adjusting Entries worksheet to Medicaid Cost Report Trial Balance and the Trial Balance to *Schedule B-1, Schedule B-2 and Schedule C*. There were no variances.

We also compared hours worked and salaries from the Administrator's Wage Allocation worksheet to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We selected five employees and two contracted individuals reported on *Schedule B-1, Schedule B-2 and Schedule C* and compared the organizational chart, Job Title Listing, April 2019 Costing Detail report and the contractor's monthly invoices to the schedule in which each individual's salary and fringe benefit or contract costs were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7 and to CMS Publication 15-1, Chapter 9 and § 2150. There were 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 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 Medicaid ICF-IID 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

Appendix
REM Ohio Inc., DBA REM Ohio Beech
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2, Direct Care Cost Center				
25. Home office Costs/Direct Care - 6230 - Other/Contract Wages (2)	\$ 3,946	\$ (19)	\$ 3,877	To remove moving expenses of resident of another ICF
		\$ (50)	\$ 3,877	To remove adult day programming costs belonging to resident of another ICF
39. Workers' Compensation - Direct Care - 6520 - Adjustments Increases/Decreases (4)	\$ -	\$ (1,989)	\$ (1,989)	To record worker's compensation rebate as an offset
Schedule C, Indirect Care Cost Center				
48. Home Office Costs/Indirect Care ** - 7310 - Other/Contract Wages (2)	\$ 23,036	\$ (17)	\$ 22,943	To reclassify contributions/donation costs to non-reimbursable costs
		\$ (76)	\$ 22,943	To reclassify costs of promotional items to non-reimbursable costs
57. Worker's Compensation - Indirect Care - 7510 - Adjustments Increases/Decreases (4)	\$ -	\$ (35)	\$ (35)	To record worker's compensation rebate as an offset
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 14,085	\$ 17	\$ 14,178	To reclassify contributions/donation costs to non-reimbursable costs
		\$ 76	\$ 14,178	To reclassify costs of promotional items to non-reimbursable costs
Schedule D Capital Cost Center				
10. Home Office Costs/Capital Cost ** - 8090 - Total (3)	\$ 6,740	\$ (3)	\$ 6,737	To correct depreciation allocation

Attachment 2, Adjustments to Trial Balance

Line 1, Description		Worker's Comp Refund	Worker's Comp Refund	To add BWC Rebate
Line 1, Revenue Chart of Account # (1)	-	5400	5400	To add BWC Rebate
Line 1, Other Increase/(Decrease) (4)	-	\$ (1,989)	\$ (1,989)	To add BWC Rebate
Line 1, Expense Chart of Account (5)	-	6520	6520	To add BWC Rebate
Line 1, Revenue Reference Attachment Line 1 (6)	-	59	59	To add BWC Rebate
Line 2, Description		Worker's Comp Refund	Worker's Comp Refund	To add BWC Rebate
Line 2, Revenue Chart of Account # (1)	-	5400	5400	To add BWC Rebate
Line 2, Other Increase/(Decrease) (4)	-	\$ (35)	\$ (35)	To add BWC Rebate
Line 2, Expense Chart of Account (5)	-	7510	7510	To add BWC Rebate
Line 2, Revenue Reference Attachment Line 1 (6)	-	59	59	To add BWC Rebate

OHIO AUDITOR OF STATE KEITH FABER



REM OHIO INC., DBA REM OHIO - BEECH STREET

KNOX 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 1/6/2022

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