



Dave Yost • Auditor of State

BUTLER COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

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Independent Auditor's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Division of Fiscal Administration, Audit Office
Ohio Department of Developmental Disabilities
30 E. Broad Street, 13th Floor
Columbus, Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) HCBS Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the Butler County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2009 and 2010 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2009 and 2010 (Cost Report Guides) and to assist you in evaluating whether reported receipts and disbursements complied with 2 CFR 225 (OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. The County Board's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DODD. 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 Auditor of State, under the same authority noted above, also performed the Acuity Testing procedures below for the 2008, 2009 and 2010 cost reports.

Statistics – Square Footage

1. DODD requested us to tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space and, if final 2008 square footage totals are the same and no significant changes in the floor plan have occurred, to perform no additional procedures.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space.

We also compared 2009 and 2010 square footage totals to final 2008 square footage totals and discussed square footage changes with the County Board and we noted significant changes have occurred and we performed the procedures below.

2. DODD requested us to report variances if the County Board's square footage for three rooms varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We measured five rooms and compared the square footage to the County Board's square footage summary.

We found square footage variances for rooms that were measured exceeding 10 percent in one of the five rooms measured; however, the total variance for all rooms measured did not exceed 10 percent.

3. DODD requested us to report variances if the County Board's square footage for one floor plan varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We compared one building in 2009 and one building in 2010 and traced each room on the floor plan to the County Board's summary for each year.

We found no variances exceeding 10 percent.

4. DODD requested us to report variances if the County Board's square footage summary varied by more than 10 percent when comparing the County Board's summary to the Cost Report for any cell within *Schedule B-1, Section A, Square Footage* worksheet.

We compared the County Board's square footage summary to the square footage reported for each cell in *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We found variances exceeding 10 percent and we reported these variances in Appendix A (2009) and Appendix B (2010).

5. DODD asked us to obtain the County Board's methodology for allocating square footage between programs and reviewed the methodology to ensure that square footage for areas shared by more than one type of service is allocated by program based on reported usage of the area in accordance with the Cost Report Guides.

We obtained the County Board's methodology for allocating square footage and compared the methodology with the Cost Report Guides.

The County Board reported the same square footage in the 2009 and 2010 cost reports. Therefore, we tested the 2009 methodology, and applied the results to both years' cost reports. We found no inconsistencies between the County Board's methodology and the Cost Report Guide.

Statistics – Attendance

1. We reviewed the Cost Reports to determine if individuals served or units of service were omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which result in unassigned program or general expenses-all program costs.

We determined that there were no individuals served or units of service omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which resulted in unassigned program or general expenses-all program costs.

2. DODD asked us to compare the County Board's final 2008 typical hours of service reported on *Schedule B-1, Section B, Attendance statistics* to the typical hours of service reported on *Schedule B-1* for 2009 and 2010 and, if the hours are the same, to do no additional procedures.

We compared the final 2008 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2009 and 2010.

We found no differences.

3. DODD requested us to report variances if the County Board's attendance statistics were not within two percent of the attendance statistics reported.

We compared the County Board's Attendance and Count Total and Attendance and Attendance by Acuity reports for the number of individuals served and days of attendance for Day Habilitation/Adult Day Services/Vocational Habilitation and Enclave; and Billing History Summary reports for Supported Employment - Community Employment individuals and 15-minute units on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports and determined if the statistics were reported in accordance with the Cost Report Guides. We also footed the County Board's reports on Attendance Statistics for accuracy.

We found no variances or computational errors exceeding two percent.

4. DODD requested us to report variances if the County Board's number of individuals served varied by more than 10 percent when compared to the prior year's final attendance statistics on *Schedule B-1, Section B, Attendance Statistics*.

We compared the County Board's final 2008 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation, and Enclave for 2009 and the final 2009 individual served to the final individuals served for 2010 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variances were over 10 percent.

The number of reported individuals served changed more than 10 percent from the prior year's *Schedule B-1* and as a result we performed procedure 5 below.

5. DODD requested us to report variances if the individuals served on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports were not within three of the individuals documented on the attendance sheets.

We haphazardly selected 15 Facility Based and 15 Enclave individual names from the County Board's attendance sheets from 2009 and 15 each from 2010, and compared the individuals by name to the compiled listing of individuals served by program documentation which rolls up to *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports.

We found no differences.

6. DODD requested us to report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the 15 minute community employment units tested were not calculated in accordance with the Cost Report Guide.

We haphazardly selected 16 units from 2009 and 15 units from 2010 from the County Board's Billing History Summary reports and determined if the units were calculated in accordance with the Cost Report Guide.

We found no differences.

Acuity Testing

1. DODD requested us to report variances if days of attendance and individuals served on the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet did not agree to the County Board's supporting documentation for 2008, 2009 and 2010.

We compared the number of individuals served and days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation and Enclave from the County Board's Attendance by Acuity reports for 2008, 2009 and 2010 with the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet for each year.

We found no variances.

2. We also compared two individuals from each acuity level on the County Board's 2008, 2009 and 2010 Attendance by Acuity reports to the Acuity Assessment Instrument or other documentation for each individual.

We found no acuity variances for any individuals or days of attendance reported on the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet for 2008, 2009 or 2010.

Statistics – Transportation

1. DODD requested us to report variances if the County Board's transportation units were not within two percent of total units reported on each line of *Schedule B-3, Quarterly Summary of Transportation Statistics*.

We compared the number of one-way trips from the County Board's Summary Trips by Category and Billing History by Vendor reports with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports. We also footed the County Board's Transportation reports for accuracy.

We found no differences or computational errors.

2. DODD requested us to report variances of more than 10 percent of the total trips taken for 10 individuals for both 2009 and 2010, between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for 10 individuals for 2009 and 10 individuals from 2010 from the County Board's daily transportation documentation to *Schedule B-3, Quarterly Summary of Transportation Services*. We found no differences.

3. DODD requested us to report variances if the County Board's cost of bus tokens/cabs was not within two percent of the total amount reported on *Schedule B-3 Quarterly Summary of Transportation Statistics*.

We compared the cost of bus tokens/cabs from the County Board's Trial Balance Report to the amount reported in *Schedule B-3* of the Cost Reports.

We found no differences exceeding two percent.

Statistics – Service and Support Administration (SSA)

1. DODD requested us to report variances if the County Board's SSA units were not within two percent of total units reported on each line of *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, Home Choice, and SSA Unallowable) from the County Board's monthly Billing History Reports with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*. We also footed the County Board's Monthly Billing History reports for accuracy.

We found no differences or computational errors.

2. DODD requested us to report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent and indicated a systemic issue.

We haphazardly selected a sample of 41 Other SSA Allowable units for 2009 and 41 units for 2010 from the Billing History Reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F). We also determined if the units for Other Allowable SSA services for both 2008 and 2009 were provided to individuals that were not Medicaid eligible at the time of service delivery per the Medicaid Information Technology System (MITS).

The units found to be in error did not exceed 10 percent of our samples for 2009 and 2010.

3. We haphazardly selected a sample of 40 Unallowable SSA service units for 2009 and 41 units 2010 from the Billing History reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent of our sample for 2009. The units found in error exceeded 10 percent in 2010 as reported in Appendix B.

4. DODD requested us to report decreases exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final cost report.

We compared the final 2008 SSA units to the final 2009 SSA units and compared the final 2009 SSA units to the final 2010 SSA units.

The final units decreased by more than five percent from the prior year's *Schedule B-4* to 2009 for SSA Unallowable units and for Home Choice units from 2009 to 2010. We noted the decrease in SSA Unallowable units could have been due to the County Board excluding non-SSA billable units when counting 2009 Unallowable SSA units. We obtained the County Board's explanation that there were no Home Choice units identified in 2010. We reported no variances in Appendix A (2009) and Appendix B (2010).

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2009 and 12/31/2010 Butler County Auditor's Revenue Summary Reports to for the (1660) Developmental Disabilities, (1670) Capital Fund, and (5540) Developmental Disabilities Trust fund to the County Auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

2. DODD asked us to determine whether total County Board receipts reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the County Auditor's yearly report of total receipts for these funds.

Total County Board receipts from were within 1/4 percent of the County Auditor yearly receipt totals reported for these funds.

3. DODD asked that we compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's detailed revenue reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We did not perform this procedure since the total County Board receipts were within 1/4 percent of the County Auditor yearly receipt totals in Procedure 2 above.

4. We compared revenue entries on *Schedule C Income Report* to the Southwest Ohio Council of Government (COG) prepared County Board Summary Workbook.

We found differences as reported in Appendix B (2010). The Southwest Ohio Council of Government did not prepare a County Board Summary Workbook for 2009.

5. We reviewed the County Board's Period Summary - Revenue with Detail reports and *Schedule C, Income Report* to determine whether revenues are maintained separately to offset corresponding expense via the use of specific expenditure costs centers and identified any potential revenue offsets/applicable credits.

We identified the following sources of potential revenue credits for which the County Board did not offset costs on the Cost Reports in accordance with 2 CFR 225, Appendix A (C)(3)(c) and (4)(a):

- Title XX revenues in the amount of \$223,495 in 2009 and \$180,592 in 2010; and
- Miscellaneous refunds, reimbursements and transition services revenue in the amount of \$139,466 in 2009 and \$184,702 in 2010.

In addition, we noted the Ohio Rehabilitation Services Commission reimbursements in the amount of \$4,643 in 2010 but don't consider these potential revenue offsets because we offset the corresponding expenses on *Schedule a1, Adult Worksheet*.

Paid Claims Testing

1. We selected 50 paid claims among all service codes from 2009 and 2010 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code Sections 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(F):

- Date of service;
- Place of service;
- Name of the recipient;
- Name of the provider;
- Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
- Type of service (for homemaker/personal care, type must include if routine, on-site/on-call, or level one emergency);
- Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided; and
- Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.¹

Recoverable Finding - 2009

Finding \$68.56

We determined the County Board was over reimbursed for one unit of FXF - Adult Day/Voc Hab Combo-15 Minute unit in which there was insufficient documentation for time-in/time-out. We also determined that nine units of TCM – Targeted Case Management was incorrectly billed because the individual was incarcerated on the service date and not eligible for reimbursement under Ohio Admin. Code § 5101:1-37-20 (C)(1)(a).

Service Code	Units	Review Results	FFP ¹ Amount	eFMAP ² Amount	Total Finding
FXF	1	Insufficient Documentation	\$1.07	\$0.17	\$1.24
TCM	9	Incorrect billing for incarcerated individual	\$58.11	\$9.21	\$67.32
		TOTAL			\$68.56

¹ Federal Financial Participation Amount (FFP)

² Enhanced Federal Medical Assistance Percentage (eFMAP)

¹ For non-medical transportation (service codes) we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18(H)(1)-(2) excluding (H)(1)(d),(f),(j) and (H)(2)(d),(f).

There were no recoverable findings identified in 2010 paid claims.

2. DODD requested us to report variances if units reimbursed by Medicaid were more than the units reported in the Cost Reports.

We compared the number of reimbursed TCM units and Community Employment 15 minute units from the MBS Summary by Service Code report, to the final units on *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*, Line (1)(F), *TCM Units* and to *Schedule B-1, Section B, Attendance Statistics, Line (4)(C), Supported Employment – Community Employment*, 15 minute units, respectively.

We found no instance where the Medicaid reimbursed units were greater than audited TCM or 15 minute Community Employment units.

3. DODD requested us to report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* worksheet by two percent.

We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program*, Lines (20) Environmental Accessibility Adaptations to Line (25) Other Waiver Services to the amount reimbursed for these services in 2009 and 2010 on the MBS Summary by Service Code report.

We found no differences.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the 12/31/2009 and 12/31/2010 County Auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the Butler County Auditor's Appropriation Report balances for the (1660) Developmental Disabilities, (1670) Capital Fund, and (5540) Developmental Disabilities Trust fund.

We found no differences.

2. DODD asked us to determine whether total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the County Auditor's yearly report of total disbursements for these funds.

Total County Board disbursements were within 1/4 percent of the County Auditor yearly disbursement totals reported for these funds.

3. DODD asked that we compare the account description and amount for each reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Expense Detailed Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We did not perform this procedure since total County Board disbursements were within 1/4 percent of the County Auditor yearly disbursement totals in Procedure 2 above.

4. DODD asked us to compare the County Board disbursements on the Trial Balance reports to the amounts reported on Worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any Worksheet.

We compared all Service Contract and Other Expenses entries on Worksheets 2 through 10 to the County Board's trial balance reports.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

5. We compared disbursement entries on Schedule A, Summary of Service Costs – By Program and Worksheets 2 through 10 to the Southwest Ohio Council of Government (COG) prepared County Board Summary Workbook.

We found differences as reported in Appendix B (2010). The Southwest Ohio Council of Government did not prepare a County Board Summary Workbook for 2009.

6. DODD asked us to determine whether total County Board's disbursements were properly classified, on Worksheets 2 through 10, within two percent of total service contracts and other expenses for each individual Worksheet and that no Worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's 2009 and 2010 Payables reports for service contracts and other expenses in the following columns and worksheets: Column X-Gen Expense all Programs on Worksheets 2, 3 and 8; Column N-Service and Support Admin Costs on Worksheet 9; and Columns E-Facility Based Services, F-Enclave, and G-Community Employment and H-unassigned on Worksheet 10 and reviewed documentation to identify disbursements not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

We found differences as reported in Appendix A (2009) and Appendix B (2010) for misclassified and non-federal reimbursable costs.

7. We scanned the County Board's 2009 and 2010 Payables reports for items purchased during 2009 and 2010 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Depreciation Schedule.

We found no unrecorded purchases meeting the capitalization criteria in 2009. We reported differences for purchases that were not properly capitalized as reported in Appendix B (2010).

8. We haphazardly selected 20 disbursements from the County Board's 2009 and 2010 Payables reports that were classified as service contract and other expenses on Worksheets 2-10 (not selected for scanning under Step 5 above). We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We reported differences from these procedures in Appendix A (2009) and Appendix B (2010) for misclassified and non-federal reimbursable costs.

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board's procedures regarding capitalization of fixed assets with the Cost Report Guides for preparing *Worksheet 1, Capital Costs* and 2 CFR 225 (OMB Circular A-87, Appendix B, 15(a)(2)).

We found no inconsistencies between the County Board's capitalization procedures and the guidelines listed above.

2. We compared the County Board's final 2008 Depreciation Report to the County Board's 2009 and 2010 Depreciation Reports for changes in the depreciation amounts for assets purchased prior to the periods under review which were not in compliance with the Cost Report Guides.

We found differences in 2009 as reported in Appendix A (2009).

3. DODD asked us to compare the depreciation costs reported in the County Board's depreciation report to the amounts reported on *Worksheet 1, Capital Costs*, and to report variances exceeding \$100.

We compared all depreciation entries reported on *Worksheet 1, Capital Costs* to the County Board's Depreciation Reports.

We found differences in 2009 as reported in Appendix A (2009).

4. We scanned the County Board's Depreciation Schedule for 2009 and 2010 for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

We found no differences.

5. We haphazardly selected three County Board fixed assets which meet the County Board's capitalization policy and purchased in either 2009 or 2010 to determine if their useful life agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for these assets, based on their cost, acquisition date and period of useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We found no differences.

6. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2009 and 2010 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2009 (and 2010, if applicable) for the disposed items based on its undepreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We did not perform this procedure because the County Board stated that no capital assets were disposed of in 2009 or 2010. We also scanned the County Board's Period Summary - Revenue with Detail reports and did not identify any proceeds from the sale of assets.

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2009 and 2010 cost reports were within two percent of the County Auditor's report totals for the (1660) Developmental Disabilities fund.

We totaled salaries and benefits from Worksheets 2-10 from the 2009 and 2010 cost reports and compared the yearly totals to the County Auditor's Appropriation Reports. The variance was less than two percent.

2. DODD asked us to compare the County Board disbursements on the Totals By State Account Number Reports to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all Salary and Employee Benefit entries on worksheets 2 through 10 to the County Board's Totals By State Account Number Reports.

We found no differences exceeding \$100 for Salary or Employee Benefit expenses on any worksheet.

3. We selected 40 employees and compared the County Board's organizational chart, staffing/payroll journal, and job descriptions to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We reported differences from these procedures in Appendix B (2010). We did not identify any differences in 2009.

4. DODD asked us to scan the County Board's detailed payroll reports for 2009 and 2010 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides if the errors in Procedure 3 above exceeded 10 percent.

We did not perform this procedure as the misclassification errors in Procedure 3 above did not exceed 10 percent of the sample size.

Medicaid Administrative Claiming (MAC)

1. DODD asked us to contact its Random Moment Time Study (RMTS) Coordinator to report differences if the MAC salary and benefits exceeded the County Board's payroll records by one percent or more.

We compared the salary and benefits entered on the Individual MAC Costs by Code and MAC RMTS Summary reports to the County Board's 2009 and 2010 MAC Support Sheets and Totals by State Account Code reports.

We found no variances exceeding one percent.

2. We compared the original Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) Report(s) to Worksheet 6, columns (I) and (O) for both years.

We found no differences.

3. We compared Ancillary Costs on the Roll Up Report for the Ohio Department of Job and Family Services to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We reported differences in Appendix A (2009) and Appendix B (2010).

4. We selected 21 RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the fourth quarter of 2010 in which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the County Board employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with

DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2010.

We found one RMTS observed moments that was not properly classified as Activity Code 13- Medicaid Related Provided Relations in accordance with the above guidelines when it should have been classified as Activity Code 7 - Referral, Coordination, and Monitoring of Medicaid Services. We have reported these instances of non-compliance to DODD.

We did not receive a response from officials to the exceptions noted above.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the County Board's Cost Reports. Accordingly, we do not express such an opinion. 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 use of the managements of the County Board, DODD, the Ohio Department of Medicaid, and the Centers for Medicare and Medicaid Services and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,

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

Dave Yost
Auditor of State

August 22, 2013

cc: Christina Hurr, Superintendent, Butler County Board of DD
Rick Black, Business Manager, Butler County Board of DD
Kathy McMahon-Klosterman, Board President, Butler County Board of DD

Appendix A
Butler County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
19. Room and Board/Cost to Live (L) Community	\$ 555,180	\$ 1,050		To reclassify room and board expenses to Sch A
		\$ (1,950)		To reclassify transportation charges
		\$ (59,705)		To reclassify community residential expenses
		\$ 25,284	\$ 519,859	To reclassify room and board expenses to Sch A
22. Respite (L) Community Residential	\$ -	\$ 3,675	\$ 3,675	To reclassify respite services to Sch A
27. Home Choice Community Transition Services (L) Community Residential	\$ -	\$ 9,346	\$ 9,346	To reclassify home choice expenses to Sch A
Schedule B-1, Section A				
8. Physical Therapy (B) Adult	56	(56)	-	To remove PT adult square footage
14. Facility Based Services (B) Adult	33,310	4,862	38,172	To report additional facility based square footage (loading dock)
17. Medicaid Administration (A) MAC	750	(651)	99	To revise MAC square footage
19. Community Residential (D) General	5,032	(4,332)		To revise community residential square footage
		1,151	1,851	To report Seven-Mile Home community residential square footage
25. Non-Reimbursable (D) General	4,620	1,444		To report MUI room square footage as NFR
		1,151	7,215	To report Seven-Mile Home NFR square footage
Worksheet 1				
3. Buildings/Improve (N) Service & Support Admin	\$ 18,411	\$ (8,801)	\$ 9,610	To adjust housing payments reported as assets
3. Buildings/Improve (V) Admin	\$ -	\$ 23,021	\$ 23,021	To reclassify building improvement amounts.
4. Fixtures (L) Community Residential	\$ 8,506	\$ (8,506)	\$ -	To reclassify moveable equipment amounts.
4. Fixtures (V) Admin	\$ 23,021	\$ (23,021)	\$ -	To reclassify building improvement amounts.
		\$ 73	\$ 73	To reclassify fixtures amounts.
5. Movable Equipment (L) Community Residential	\$ -	\$ 8,506	\$ 8,506	To reclassify moveable equipment amounts.
5. Movable Equipment (V) Admin	\$ 73	\$ (73)	\$ -	To reclassify fixtures amounts.
		\$ 1,962	\$ 1,962	To reclassify moveable equipment amounts.
6. Capital Leases (V) Admin	\$ 1,962	\$ (1,962)	\$ -	To reclassify moveable equipment amounts.
Worksheet 2				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 54,703	\$ (40,000)	\$ 14,703	To reclassify ESC Program Oversight Expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ 64,887	\$ 21,276		To reclassify NFR expenses
		\$ 300	\$ 86,463	To reclassify NFR expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 562,332	\$ (21,276)	\$ 541,056	To reclassify NFR expenses
Worksheet 2A				
2. Employee Benefits (L) Community Residential	\$ 189,161	\$ (3,284)	\$ 185,877	To reclassify non-payroll expense
3. Service Contracts (A) Ages (0-2)	\$ -	\$ 40,000	\$ 40,000	To reclassify ESC program oversight expense
3. Service Contracts (L) Community Residential	\$ 49,180	\$ (44,286)	\$ 4,894	To reclassify direct service expenses
3. Service Contracts (N) Service & Support Admin	\$ 15,743	\$ (1,232)	\$ 14,511	To reclassify NFR expenses
4. Other Expenses (L) Community Residential	\$ 16,136	\$ 3,284	\$ 19,420	To reclassify non-payroll expense
4. Other Expenses (N) Service & Support Admin	\$ 3,547	\$ (3,547)	\$ (0)	To reclassify MUI expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,232	\$ 1,232	To reclassify NFR expenses
Worksheet 3				
4. Other Expenses (A) Ages (0-2)	\$ 184,414	\$ 10,685	\$ 195,099	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (I) Medicaid Admin	\$ -	\$ 3,317	\$ 3,317	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (N) Service & Support Admin	\$ 173,220	\$ (10,685)		To reclassify rent payments: Hamilton West, Lewis St, W. Chester
		\$ (3,317)		To reclassify rent payments: Hamilton West, Lewis St, W. Chester
		\$ (29,473)	\$ 129,745	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 428	\$ 428	To reclassify NRF expense
4. Other Expenses (X) Gen Expense All Prgm.	\$ 128,778	\$ (428)		To reclassify NRF expense
		\$ 29,473	\$ 157,823	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
Worksheet 5				
3. Service Contracts (L) Community Residential	\$ 860,218	\$ 47,338		To reclassify residential expenses
		\$ 44,286	\$ 951,842	To reclassify direct service expenses
4. Other Expenses (A) Ages (0-2)	\$ 89,204	\$ (278)	\$ 88,926	To reclassify NFR expenses
4. Other Expenses (L) Community Residential	\$ 100,624	\$ (9,346)		To reclassify Home Choice expenses to Sch A
		\$ (1,050)		To reclassify room and board expenses to Sch A
		\$ 59,705		To reclassify community residential expenses
		\$ (25,284)	\$ 124,649	To reclassify room and board expenses to Sch A
4. Other Expenses (O) Non-Federal Reimbursable	\$ 4,075	\$ 3,547		To reclassify MUI expenses
		\$ 278	\$ 7,900	To reclassify NFR expenses
Worksheet 8				
4. Other Expenses (X) Gen Expense All Prgm.	\$ 55,130	\$ 1,950	\$ 57,080	To reclassify transportation charges
Worksheet 9				
4. Other Expenses (N) Service & Support Admin. Cost:	\$ 147,593	\$ (300)	\$ 147,293	To reclassify NFR expenses
Worksheet 10				
3. Service Contracts (G) Community Employment	\$ 212,082	\$ (47,338)	\$ 164,744	To reclassify residential expenses
4. Other Expenses (E) Facility Based Services	\$ 769,367	\$ (3,675)	\$ 765,692	To reclassify respite expenses to Sch A
Reconciliation to County Auditor Worksheet Expense:				
Less: Capital Costs	\$ (278,395)	\$ 8,801	\$ (269,594)	To adjust housing payments reported as assets
Medicaid Administration Worksheet				
Lines 6 -10 Ancillary Costs	\$ -	\$ 35,089	\$ 35,089	To report ancillary costs

Appendix B
Butler County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
19. Room and Board/Cost to Live (L) Community Residential	\$ 129,940	\$ 363,109	\$ 493,049	To reclassify room and board expenses
Schedule B-1, Section A				
8. Physical Therapy (B) Adult	56	(56)	-	To remove PT Adult square footage
14. Facility Based Services (B) Adult	33,310	4,862	38,172	To report additional facility based square footage (loading dock)
17. Medicaid Administration (A) MAC	750	(651)	99	To revise MAC square footage
19. Community Residential (D) General	5,032	(4,332)	700	To revise community residential square footage
		1,151	1,851	To report Seven-Mile Home community residential square footage
21. Service And Support Admin (D) General	5,382	(1,000)	4,382	To revise square SSA footage
25. Non-Reimbursable (D) General	4,620	1,444	6,064	To report MUI room square footage to NFR
		1,151	7,215	To report Seven-Mile Home NFR square footage
Schedule B-4				
1. TCM units	37,635	4	37,639	To reclassify TCM units
5. SSA Unallowable Units	1,055	(4)	1,051	To remove General Support Time units
		(4)	1,047	To reclassify TCM units
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 1,005,422	\$ (58,219)	\$ 947,203	To reclassify an employee that performs direct services
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 406,074	\$ (24,364)	\$ 381,710	To reclassify an employee that performs direct services
4. Other Expenses (O) Non-Federal Reimbursable	\$ 53,901	\$ 19,580	\$ 73,481	To reclassify NFR expenses
		790	74,271	To reclassify NFR expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 472,728	\$ (19,580)	\$ 453,148	To reclassify NFR expenses
		\$ (122,060)	\$ 331,088	To reclassify rent payments for administration offices
5. COG Expenses (L) Community Residential	\$ -	\$ 398	\$ 398	To revise COG expenses
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 9,929	\$ 9,929	To revise COG expenses
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ -	\$ 248,067	\$ 248,067	To report real estate fees
Worksheet 2A				
1. Salaries (L) Community Residential	\$ 151,538	\$ (4,401)	\$ 147,137	To reclassify an employee that performs direct services
2. Employee Benefits (L) Community Residential	\$ 49,274	\$ (1,314)	\$ 47,960	To reclassify an employee that performs direct services
3. Service Contracts (A) Ages 0-2	\$ -	\$ 25,000	\$ 25,000	To reclassify ESC program supervision expenses
3. Service Contracts (L) Community Residential	\$ 416,218	\$ (363,109)	\$ 53,109	To reclassify room and board expenses
		\$ (51,646)	\$ 1,463	To reclassify direct service expenses
4. Other Expenses (N) Service & Support Admin	\$ 45,167	\$ (151)	\$ 44,916	To reclassify NFR expense
		\$ (25,000)	\$ 20,016	
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 151	\$ 151	To reclassify NFR expense
5. COG Expenses (O) Non-Federal Reimbursable	\$ 10,327	\$ (10,327)	\$ -	To revise COG expenses
Worksheet 3				
4. Other Expenses (A) Early Intervention	\$ 227,244	\$ (39,960)	\$ 187,284	To reclassify capital assets over \$5,000
		\$ 10,790	\$ 198,074	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (E) Facility Based Services	\$ 388,591	\$ 52,500	\$ 441,091	To reclassify rent payments for enrichment center
4. Other Expenses (I) Medicaid Admin	\$ -	\$ 3,347	\$ 3,347	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (L) Community Residential	\$ 52,742	\$ (6,350)	\$ 46,392	To reclassify capital assets over \$5,000
4. Other Expenses (N) Service & Support Admin	\$ 37,891	\$ 88,323	\$ 126,214	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 294	\$ 294	To reclassify NFR expenses
4. Other Expenses (V) Admin	\$ 28,672	\$ 122,060	\$ 150,732	To reclassify rent payments for administration offices
4. Other Expenses (X) Gen Expense All Prgm.	\$ 116,227	\$ (294)	\$ 115,933	To reclassify NFR expenses
		\$ 31,113	\$ 147,046	To reclassify rent payments: Hamilton West, Lewis St, W. Chester
Worksheet 5				
1. Salaries (L) Community Residential	\$ 370,712	\$ (52,435)	\$ 318,277	To reclassify an employee required to be licensed.
		\$ 4,401	\$ 322,678	To reclassify an employee that performs direct services
		\$ 58,219	\$ 380,897	To reclassify an employee that performs direct services
2. Employee Benefits (L) Community Residential	\$ 129,302	\$ (19,395)	\$ 109,907	To reclassify an employee required to be licensed.
		\$ 1,314	\$ 111,221	To reclassify an employee that performs direct services
		\$ 24,364	\$ 135,585	To reclassify an employee that performs direct services
3. Service Contracts (L) Community Residential	\$ 698,940	\$ (22,060)	\$ 676,880	To reclassify psychological expenses
		\$ 41,156	\$ 718,036	To reclassify community residential expenses
		\$ 51,646	\$ 769,682	To reclassify direct service expenses
4. Other Expenses (A) Early Intervention	\$ 100,309	\$ (256)	\$ 100,053	To reclassify NFR expenses
		\$ (264)	\$ 99,789	To reclassify speech expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ 3,815	\$ 256	\$ 4,071	To reclassify NFR expenses
Worksheet 7-(A)				
1. Salaries (L) Community Residential	\$ 3,000	\$ (3,000)	\$ -	To reclassify non-payroll expenses
3. Service Contracts (L) Community Residential	\$ -	\$ 3,000	\$ 3,000	To reclassify non-payroll expenses
Worksheet 7-(C)				
4. Other Expenses (X) Gen Expense All Prog	\$ 7,812	\$ 264	\$ 8,076	To reclassify speech expenses
Worksheet 7-(D)				
3. Service Contracts (L) Community Residential	\$ 115,077	\$ 22,060	\$ 137,137	To reclassify psychological expenses
Worksheet 7-(G)				
1. Salaries (L) Community Residential	\$ -	\$ 52,435	\$ 52,435	To reclassify an employee required to be licensed
2. Employee Benefits (L) Community Residential	\$ -	\$ 19,395	\$ 19,395	To reclassify an employee required to be licensed
Worksheet 9				
4. Other Expenses (N) Service & Support Admin. Costs	\$ 253,411	\$ (790)	\$ 252,621	To reclassify NFR expenses
		\$ (133,573)	\$ 119,048	To reclassify rent payments: Hamilton West, Lewis St, W. Chester

Appendix B
Butler County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 10				
3. Service Contracts (G) Community Employment	\$ 256,851	\$ (41,156)	\$ 215,695	To reclassify community residential expenses
4. Other Expenses (E) Facility Based Services	\$ 178,822	\$ (512)		To reclassify NFR expenses
		\$ (52,500)	\$ 125,810	To reclassify rent payments for enrichment center
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 512	\$ 512	To reclassify NFR expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 11,960	\$ 39,960		To reclassify capital asset over \$5,000
		\$ 6,350	\$ 58,270	To reclassify capital asset over \$5,000
Less: Auditor/Treasurer Fees	\$ -	\$ (248,067)	\$ (248,067)	To reconcile real estate fees
Medicaid Administration Worksheet				
Lines 6 -10 Ancillary Costs	\$ -	\$ 40,585	\$ 40,585	To report ancillary costs
A1, Adult Worksheet				
10. Community Employment		\$ 8,840	\$ 8,840	To put RSC expenses on A1

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Dave Yost • Auditor of State

BUTLER COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

BUTLER 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
SEPTEMBER 03, 2013**