



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief  
Division of Fiscal Administration, Audit Office  
Ohio Department of Developmental Disabilities  
30 East Broad Street, 8<sup>th</sup> 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) Home and Community Based Services 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 Highland County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2012 and 2013 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2012 and 2013 (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 the American Institute of Certified Public Accountants' attestation standards. 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.

### **Statistics – Square Footage**

1. We compared program costs and statistics to square footage reported in the Cost Reports to identify potential square footage errors. We inquired with the County Board to obtain explanation of any potential errors.

We found costs for Nursing-Children and MAC services but no corresponding square footage. We inquired of the County Board and were provided the square footage for these programs. We also noted the County Board had square footage for Enclave in 2012 and 2013 and Community Employment in 2013 but no statistics or costs reported. We inquired of the County Board and noted the square footage was misclassified and should be Facility Based Services. We reported these differences in Appendix A (2012) and Appendix B (2013).

We also compared the 2012 and 2013 square footage totals to the final 2011 totals and found variances above 10 percent.

The County Board stated that the final 2011 square footage reflects the correct square footage usage in 2012 and 2013 with the exception of changes for non-federal reimbursable, Service and Support Administration (SSA) and common area square footage in both years and pre-school in 2012 and school age in 2013 as reported in procedure 2 below.

### Statistics – Square Footage (Continued)

We reported variances in Appendix A (2012) and Appendix B (2013) to carry forward the square footage from the final 2011 Cost Report through 2012 and 2013. In addition, we performed limited procedures below in those areas where the square footage changed since 2011.

2. We compared each room on the floor plans of the Hills and Dales Training Center building in which the usage changed from 2011 to the County Board's square footage reported in each cell in *Schedule B-1, Section A, Square Footage* and identified variances greater than 10 percent for any cell in *Schedule B-1* for each year to ensure square footage was allocated by program based on reported usage of the area in accordance with the Cost Report Guides and identified variances greater than 10 percent of the square footage reported in the *Schedule B-1, Section A, Square Footage*. The County Board did not revise its square footage summaries to reflect the changes in usage so we could not use the summaries for this procedure.

We found variances as reported in Appendix A (2012) and Appendix B (2013).

3. DODD asked us to compare the County Board's square footage summary for each year to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage* and identified variances greater than 10 percent for any cell in *Schedule B-1*.

We did not perform this procedure as the County Board did not revise the summaries to reflect the usage changes in 2012 and 2013.

4. We reviewed differences from our payroll testing procedures to determine if they resulted in square footage variances greater than 10 percent for any cell in *Schedule B-1*.

We found no differences exceeding 10 percent.

### Statistics – Attendance

1. We reviewed the Cost Reports and determined 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 resulted in program or general expenses-all program costs not being allocated to the County Board's programs.

We determined that the number of individuals served for worksheet 7D needed to be obtained as costs reported in Gen Expense All Prgm. Column (X) for 2012 were not being assigned and caused a control total error on this worksheet. The County Board provided the statistic as reported in Appendix A (2012). We found no variances for 2013.

2. We compared the County Board's Attendance By Acuity, Attendance Summary (By Program) and compiled Community Employment case notes reports for the number of individuals served, days of attendance, and 15 minute units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, Enclave and Community Employment on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. We identified any variances greater than two percent of reported attendance statistics at each acuity level. We also footed the County Board's attendance reports for accuracy.

We reported variances in Appendix A (2012). We found no variances for 2013.

### Statistics – Attendance (Continued)

3. We traced the number of total attendance days for five Adult Day Service individuals for two months in 2012 and 2013 between the County Board's monthly attendance documentation and Attendance by Acuity reports and the number of days reported on *Schedule B-1, Section B - Attendance Statistics*. We then compared the acuity level on the County Board's Attendance by Acuity report to the Acuity Assessment Instrument or other documentation for each individual. We also selected an additional six individuals in 2012 and five individuals in 2013 to ensure at least two individuals from each acuity level were tested, and performed the same acuity level comparison. For differences noted, we compared the paid claims in the Medicaid Billing System (MBS) data to the County Board's monthly attendance report and acuity assessment instrument to ensure the County Board was reimbursed for the proper number of attendance days and at the correct acuity level.

We reported differences in Appendix A (2012) and Appendix B (2013). We found no overpayment.

4. We selected 28 Supported Employment-Community Employment units from the compiled Community Employment Case Notes and determined if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements of Ohio Admin. Code § 5123:2-9 to identify variances greater than 10 percent to *Schedule B-1, Section B, Attendance Statistics*.

All of the County Board's Community Support services were for 8, 12 or 16 units so we selected a total of 28 units for 2012 for testing and compared the duration reported to the service documentation and found no variances. We found that documentation for one service did not meet the requirements of Ohio Admin. Code § 5123:2-9 as the note did not contain the description and details of the services delivered that relate to specified goals. Instead the notes only reflected the recipient's work tasks, "cleaning lobby/room/restock/floors". The documentation also did not reflect progress notes relative to the individual's goals, job-seeking activities, and/or work performance.

We did not perform this procedure in 2013 as the County Board did not provide Community Employment services in 2013.

### Statistics – Transportation

1. We compared the number of one-way trips from the County Board's Transportation By Age Group and Transportation Grouped by Name reports with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than two percent of either total children or adult program trips reported. We also footed the County Board's transportation reports for accuracy.

We reported differences in Appendix A (2012) and Appendix B (2013).

2. We traced the number of trips for four adults and one child for April 2012 and October 2013 from the County Board's daily reporting documentation to *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than 10 percent of the total trips tested each year.

We found no variances exceeding 10 percent for 2012. We found no variances for 2013.

**Statistics – Transportation (Continued)**

3. We compared the cost of bus tokens/cabs from the County Board's State Expenses Without Payroll or Benefits (Detailed) reports to the amount reported in *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than two percent of total units reported on each row of *Schedule B-3* and made any corresponding changes on *Worksheet 8, Transportation Services*.

We found no variances.

**Statistics – Service and Support Administration (SSA)**

1. We compared the number of Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable units from the County Board's TCM Allowable/Unallowable reports with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service-Service and Support Administration* and identified any variances greater than two percent of total units reported on each row of *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

We found no variance exceeding two percent in 2012. We reported differences in Appendix B (2013).

2. We haphazardly selected two samples of 60 Other SSA Allowable units for both 2012 and 2013 from the TCM Allowable/Unallowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and included the elements required by Ohio Admin. Code § 5101:3-48-01(F) to identify any variances greater than 10 percent of total units tested in each year. If the variance identified was greater than 25 percent, we would select an additional sample of 60 units for that year and perform the same test.

The variance in 2012 exceeded 10 percent, but was less than 25 percent. We reported differences in Appendix A (2012). We found no variance in 2013.

3. We haphazardly selected samples of 30 SSA Unallowable units for 2012 and 30 SSA Unallowable units for 2013 from the TCM Allowable/Unallowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and included the elements required by Ohio Admin. Code § 5101:3-48-01(F) to identify any variances greater than 10 percent of total units tested in each year. If the variance identified was greater than 25 percent, we would select an additional sample of 30 units for that year and performed the same test.

The variance in 2012 exceeded 10 percent, but was less than 25 percent. We reported the difference in Appendix A (2012). We found no variance in 2013.

4. DODD asked us to determine if the County Board maintained case note documentation for non-individual specific activities (general time units) as described in *Worksheet 9, Service and Support Administration Costs of the Cost Report Guides*.

The County Board did record general time units and they accounted for over 10 percent of total SSA units on the final *Schedule B-4* plus any general time units recorded in 2012. These units did not account for over 10 percent in 2013. We haphazardly selected a sample of 60 general time units in 2012 from the TCM Allowable/Unallowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) or in *Worksheet 9, Service and Support Administration Costs, Section 1(b) of the Cost Report Guides* to identify any variances greater than 10 percent of total units tested in each year.

We found no variances exceeding 10 percent in 2012.

## Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the county auditor's 2012 and 2013 Receipt Reports for the Developmental Disabilities (S00), Construction Debt Retirement DD (O09), Permanent Improvement DD (N00), and Community Residential DD (S05) funds to the county auditor's report total reported on the *Reconciliation to County auditor Worksheet*.

We then compared the total County Board receipts reported in the *Reconciliation to County auditor Worksheets* to the county auditor's receipt totals to determine if the Cost Reports reconciled within acceptable limits.

The Cost Reports did not reconcile within allowable limits and we returned the Cost Reports to the County Board to perform reconciliation to the County auditor records and notified DODD of the issue. We received a revised Cost Reports and compared the total County Board receipts reported in the *Reconciliation to County auditor Worksheets* to the adjusted county auditor's receipt totals to determine if the Cost Reports reconciled within acceptable limits.

We found no differences and the revised Cost Reports reconciled within acceptable limits.

2. We compared revenue entries on *Schedule C, Income Report* to the final Southern Ohio Council of Governments (COG) County Board Summary Workbooks for 2012 and 2013.

We reported differences in Appendix A (2012). We found no differences in 2013.

3. We reviewed the County Board's State Account Code detailed revenue report 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 or areas where costs may need separated between federal programs on the Cost Reports in accordance with 2 CFR 225, Appendix A (C)(3)(c) and (4)(a):

- Miscellaneous refunds, reimbursements and other income in the amount of \$27,411 in 2012 and or \$96,624 in 2013;
- School Lunch Program revenues in the amount of \$4,493 in 2012 and \$16,005 in 2013; and
- Title XX revenues in the amount of \$31,166 in 2012 and \$30,984 in 2013.

We also noted Opportunities for Ohioans with Disabilities (formerly the Ohio Rehabilitation Services Commission) revenue in the amount of \$2,781 in 2013. In addition, we noted \$2,027 in 2012 and \$16,596 in 2013 for COG costs related to this program and corresponding expenses were offset on *Schedule a1, Adult Program* as reported in Appendix A (2012) Appendix B (2013). We also reclassified corresponding match costs of \$13,581 to the *Reconciliation to the County Auditor Worksheet* as reported in Appendix B (2013).

**Paid Claims Testing**

1. We selected 100 paid claims among all service codes from 2012 and 2013 from the MBS data and compared these services to the County Board's service documentation and determined if the documentation matched requirements of each respective service code per Ohio Admin. Code § 5123:2-9. We applied the service documentation rules in effect at the time of service delivery.

If there is no documentation to support paid claims or the units paid are not supported by service documentation per the Ohio Admin. Code, we calculated a recoverable finding and made corresponding unit adjustments to *Schedule B-1, B-3 or B-4*. Recoverable findings are subject to interest collection pursuant to Ohio Rev. Code § 5164.60.

We found instances of non-compliance in Adult Day/Vocational Habilitation Combination - 15 minute unit (AXF) and Non-Medical Transportation - one way trip (ATB/FTB) as described below and made corresponding unit adjustments on *Schedule B-1 and B-3*.

2. For selected contract transportation services, we compared the County Board's usual and customary rate with the reimbursed rate to ensure that the County Board was reimbursed the lesser of the two as per Ohio Admin. Code § 5123:2-9-06. For any errors found, DODD asked that we obtain documentation and identify all overpayments related to reimbursements exceeding the usual and customary rate. Additionally, if the vehicle did not meet the requirements of commercial transportation, DODD asked us to determine if the provision of services met select provider and staff qualification requirements applicable under Ohio Admin. Code § 5123:2-9-18.

We found no instances of contracted commercial transportation services or other contracted services in our sample.

**Recoverable Finding – 2012**

**Finding \$273.47**

Service Code	Units	Review Results	Finding
ATB	14	Units billed in excess of service delivery	96.82
FTB	20	Units billed in excess of service delivery	120.68
AXF	80	Lack of supporting documentation and units billed in excess of service delivery	55.97
		<b>Total</b>	<b>\$273.47</b>

**Recoverable Finding – 2013**

**Finding \$207.91**

Service Code	Units	Review Results	Finding
ATB	10	Lack of supporting documentation	\$123.87
FTB	11	Lack of supporting documentation	\$84.04
		<b>Total</b>	<b>\$207.91</b>

**Recommendation:**

The County Board should implement a process for monitoring service documentation and Medicaid billing to ensure that services are submitted for reimbursement under the proper procedure code and number of units in compliance with DODD's Medicaid Waiver Billing Instructions which states in pertinent part, "A provider can only bill for actual units of service delivered." The County Board should also determine if additional overpayments exist and contact DODD to remit payment as needed.



### **Paid Claims Testing (Continued)**

3. We compared the number of reimbursed TCM units and Community Employment 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 to determine whether Medicaid reimbursed units were greater than final TCM and Supported Employment-Community Employment units.

We found no instance where the Medicaid reimbursed units were greater than final TCM units in 2012 and 2013 and Supported Employment - Community Employment units in 2012. The County Board was not reimbursed for Supported Employment – Community Employment units in 2013.

4. 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 2012 and 2013 on the MBS Summary by Service Code report to determine whether any reimbursements exceeded disbursements on *Schedule A* by two percent.

We found no differences.

### **Non-Payroll Expenditures and Reconciliation to the County Auditor Report**

1. We compared the disbursement totals from the county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Budget report for the Developmental Disabilities (S00), Construction Debt Retirement DD (O09), Permanent Improvement DD (N00), Community Residential DD (S05), and Sustainability DD (S08) funds.

We then compared the total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* to the county auditor's disbursement totals to determine if the Cost Reports reconciled within acceptable limits.

The Cost Reports did not reconcile within allowable limits and we returned the Cost Reports to the County Board on two separate occasions to perform the reconciliation to the county auditor records and notified DODD of the issue. We received revised Cost Reports and compared the total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* to the adjusted county auditor's disbursement totals to determine if the Cost Reports reconciled within acceptable limits.

We found no differences and the revised Cost Reports reconciled within acceptable limits.

### **Recommendation:**

We recommend the County Board ensure their Cost Reports reconcile to the County Auditor's expenditure reports as required by the Cost Report Guide in section, Reconciliation to the County Auditor.

2. We compared the County Board's State Expenses without Payroll or Benefits (Detailed) reports to all service contract and other expenses entries on worksheets 2 through 10 to identify variances resulting in reclassification to another program or worksheet exceeding \$250.

We reported variances in Appendix A (2012) and Appendix B (2013).

**Non-Payroll Expenditures and Reconciliation to the County auditor Report (Continued)**

3. We compared disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 1 through 10 to the final COG County Board Summary Workbooks.

We reported differences in Appendix A (2012). We found no differences in 2013. However, we noted the COG received Opportunities for Ohioans with Disabilities (formerly the Ohio Rehabilitation Services Commission) revenue in 2013 and offset corresponding expenses on *Schedule a1, Adult Program*, see also procedure 3 in Revenue Cost Reporting and Reconciliation to the County Auditor Report.

4. We scanned the County Board's 2012 and 2013 State Expenses Without Payroll or Benefits (Detailed) reports and judgmentally selected 20 disbursements from the service contracts and other expenses reported on worksheets 2 through 10. We determined if supporting documentation was maintained, the costs were allowable and properly classified according to the Cost Report Guides and 2 CFR 225 and identified any variances greater than two percent of total service contracts and other expenses on any worksheet or costs which are non-federal reimbursable under 2 CFR 225 Appendix B and greater than \$250.

We reported misclassified and non-federal reimbursable costs in Appendix A (2012) and Appendix B (2013).

We also scanned for contracted services or COG expenses on *Worksheet 8, Transportation Services; Worksheet 9, Service and Support Administration Costs; and Worksheet 10, Adult Program* without corresponding statistics that are non-federal reimbursable because they do not demonstrate that the County Board's programs received a measurable benefit as required under Appendix A, section (C)(3)(a) and the Cost Report Guides.

We found no program costs that lacked corresponding statistics in 2012. We reclassified Behavior Support and Provider Compliance COG costs reported on *Worksheet 9, Service and Support Administration Costs* that lacked corresponding statistics as reported in Appendix B (2013).

5. We scanned the County Board's State Expenses Without Payroll or Benefits (Detailed) reports for items purchased during 2012 and 2013 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Depreciation Schedule.

We found differences for purchases that were not being capitalized as reported in Appendix A (2012) and Appendix B (2013).

6. We determined that the county board did not have supporting documentation for September 2012 and March 2013 showing that it reconciled its income and expenditures with the county auditor.

**Recommendation:**

Reconciliation of income and expenditures on a monthly basis is considered to be a best practice. Additionally, monthly reconciliations of income and expenditures will be required by the county board in accordance with Ohio Admin. Code §5123:2-1-02 (L)(1) (effective 01-01-15).

### **Property, Depreciation, and Asset Verification Testing**

1. We compared the depreciation costs reported in the County Board's Depreciation Schedules to the amounts reported on *Worksheet 1, Capital Costs* and identified any cell variances greater than \$250.

We reported differences in Appendix A (2012) and Appendix B (2013).

2. We compared the County Board's final 2011 Depreciation Schedule and prior year depreciation adjustments to the County Board's 2012 and 2013 Depreciation Schedules for changes in the depreciation amounts for assets purchased prior to the periods under review, 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 to identify any cell variances greater than \$250.

We found no differences.

3. We determined the County Board's capitalization threshold and haphazardly selected the lesser of 10 or 10 percent of the County Board's fixed assets which meet the capitalization threshold and were being depreciated in their first year in either 2012 or 2013 and determined if the useful lives agreed to the estimated useful lives prescribed in the 2008 or 2013 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for the two assets tested, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide and identified any variances.

We found no differences.

4. DODD asked us to haphazardly select the lesser of 10 percent or 10 disposed assets from 2012 and 2013 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 for the disposed items tested, 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.

The County Board reported no disposals in 2012 or 2013; however, we determined through review of the State Account Code Detail report that proceeds were received for an asset in 2012. We calculated the loss for this item and we reported the difference in Appendix A. We found no disposals in 2013.

### **Payroll Testing**

1. We compared total salaries and benefits from worksheets 2 through 10 of the Cost Reports to the yearly totals of the payroll disbursements on the county auditor's Budget Reports for the Developmental Disabilities (S00) fund to identify variances greater than two percent of the county auditor's report totals for these funds.

The variance was less than two percent.

2. We compared the salaries and benefit costs on the County Board's Payroll Totals by Job Description by Date Span reports to the amounts reported on worksheets 2 through 10 to identify variances resulting in differences to another program or worksheet exceeding \$250.

We reported variances in Appendix A (2012) and Appendix B (2013).

### **Property, Depreciation, and Asset Verification Testing (Continued)**

We calculated a sample size of the lesser of 40 employees or 25 percent of the average number of total employees over the two year period. For the sample of 17 selected, we compared the County Board's organizational chart, Payroll Totals by Job Description by Date Span reports and job descriptions to the worksheet in which each employee's salary and benefit costs were allocated to ensure the allocation is consistent with the Cost Report Guides. We identified any misclassification errors and, if the misclassification errors are greater than 10 percent of the sample tested, we would perform procedure 4.

We reported differences in Appendix A (2012) and Appendix B (2013). We found one employee where the personnel description could not be obtained from the County Board.

4. DODD asked us to scan the County Board's Payroll Totals By Job Description By Date Span reports and compare the 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.

We did not perform this procedure as the errors in procedure 3 did not exceed 10 percent.

### **Medicaid Administrative Claiming (MAC)**

1. We compared the salary and benefits entered on the MAC Cost by Individual reports to the County Board's Payroll Totals by Job Description by Date Span reports and determined if the MAC salary and benefits were greater. If the variance was greater than one percent, we would contact DODD's Random Moment Time Study (RMTS) Coordinator to correct the misstatements identified.

We found County Board salary and benefits reported exceeded MAC salaries and benefits.

2. We compared the MAC Cost by Individual reports to *Worksheet 6, Medicaid Administration Worksheet* for both years.

We found differences in 2012 and we noted payroll differences for employees participating in MAC that impacted other worksheets as reported in Appendix A (2012). We found no differences in 2013.

3. We selected 10 RMTS observed moments and 10 percent of any RMTS moments above that amount that were completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the 2nd quarter of 2012 and the 1st quarter of 2013. We selected 12 observed moments in 2012 and 11 observed moments in 2013 and determined if supporting documentation was maintained and the moments were properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2012.

In 2012, we found one observed moment for Activity Code 1-Direct Care; two observed moments for Activity Code 7-Referral, Coordination, and Monitoring of Medical Services; one observed moment for Activity Code 11-Program Planning, Development, and Interagency Coordination of Medicaid Services; one observed moment for Activity Code 12-Program Planning, Development, and Interagency Coordination of Non-Medicaid Services; two observed moments for Activity Code 17-Major and Unusual Incidents and Unusual Incidents Investigations; two observed moments for Activity Code 18-General Administration; and one Not Paid Time moment in which the County Board could not provide any supporting documentation as suggested by the RMTS guide, sections on Examples of Acceptable Documentation and Unacceptable Documentation.

**Medicaid Administrative Claiming (Continued)**

We also found one observed moment for Activity Code 11-Program Planning, Development, and Interagency Coordination of Medicaid Services, in which the accompanying supporting documentation was unclear or vague to support the response to the sampled moment as required by the RMTS guide, section on Examples of Unacceptable documentation.

2013, we found one observed moment for Activity Code 2-Targeted Case Management; one observed moment for Activity Code 4-Non-Medicaid Outreach; one observed moment for Activity Code 6-Facilitating Eligibility For Non-Medicaid Programs; one observed moment for Activity Code 17-Major and Unusual Incidents and Unusual Incidents Investigations; one observed moment for Activity Code 18-General Administration and two Not Paid Time moments in which the County Board could not provide any supporting documentation as suggested by the RMTS guide, sections on Examples of Acceptable Documentation and Unacceptable Documentation. We also found two observed moments for Activity Code 11-Program Planning, Development, and Interagency Coordination of Medicaid Services and one observed moment for Activity Code 18-General Administration in which the accompanying supporting documentation was unclear or vague to support the response to the sampled moment as required by the RMTS guide, section on Examples of Unacceptable documentation.

We reported these instances of non-compliance to DODD. In response, DODD communicated to us that it is working with the Ohio Department of Medicaid (ODM) to calculate findings for recovery, if needed.

**Recommendation:**

We recommend the County Board maintain documentation for RMTS observed moments in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology in the section Response and Documentation of Random Moment says in pertinent part, "Appropriate documentation should provide the detail needed to support the activity selected for the sample moment and clearly identify the date and time corresponding to the sampled moment."

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, ODM 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.



**Dave Yost**  
Auditor of State

September 8, 2016

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**Appendix A**  
**Highland County Board of Developmental Disabilities**  
**2012 Income and Expenditure Report Adjustments**

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
<b>Schedule A</b>				
19. Room and Board/Cost to Live (L) Community Residential	-	\$ 55,499	\$ 55,499	To reclassify room and board expenses
<b>Schedule B-1, Section A</b>				
2. Dietary Services (B) Adult	-	854	854	To adjust to prior audited square footage
2. Dietary Services (C) Child	2,670	(1,817)	853	To adjust to prior audited square footage
4. Nursing Services (B) Adult	90	(23)	67	To reclassify child nursing square footage
4. Nursing Services (C) Child	-	23	23	To reclassify child nursing square footage
5. Speech/Audiology (C) Child	240	(240)	-	To adjust to prior audited square footage
11. Early Intervention (C) Child	64	321	385	To adjust to prior audited square footage
12. Pre-School (C) Child	1,438	321	1,759	To adjust to prior audited square footage
		(719)	1,040	To adjust for usage changes from prior audit
13. School Age (C) Child	1,438	321	1,759	To adjust to prior audited square footage
14. Facility Based Services (B) Adult	9,858	2,750	12,640	To adjust to prior audited square footage
		32	12,640	To reclassify Enclave program square footage
15. Supported Emp. - Enclave (B) Adult	-	32	-	To adjust to prior audited square footage
		(32)	-	To reclassify Enclave program square footage
16. Supported Emp. - Comm Emp. (B) Adult	-	55	55	To adjust to prior audited square footage
17. Medicaid Administration (A) MAC	-	7	7	To reclassify MAC square footage
21. Service And Support Admin (D) General	315	1	316	To adjust to prior audited square footage
		719	1,035	To adjust for usage changes from prior audit
22. Program Supervision (B) Adult	1,799	(37)	1,762	To adjust to prior audited square footage
23. Administration (D) General	936	(7)	929	To reclassify MAC square footage
25. Non-Reimbursable (C) Child	-	720	-	To adjust to prior audited square footage
		(720)	-	To adjust for usage changes from prior audit
<b>Schedule B-1, Section B</b>				
1. Total Individuals Served By Program (C) Supported Emp. - Community Employment	-	5	5	To correct individuals served
4. 15 Minute Units (C) Supported Emp. - Community Employment	-	2,714	2,714	To correct 15 Minute units
6. A (B) Supported Emp. - Enclave	30	(30)	-	To correct individuals served
7. A-1 (A) Facility Based Services	4	1	5	To correct individuals served
10. A (A) Facility Based Services	14,820	570	15,390	To correct days of attendance
		(1)	15,388	To correct days of attendance
		(1)	15,387	To correct days of attendance
10. A (B) Supported Emp. - Enclave	621	(51)	570	To correct days of attendance
		(570)	-	To correct days of attendance
11. A-1 (A) Facility Based Services	649	224	873	To correct days of attendance
		51	924	To correct days of attendance
<b>Schedule B-3</b>				
2. Pre-School (G) One Way Trips- Fourth Quarter	528	115	643	To report correct number of one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	7,451	(8)	7,443	To remove trips due to paid claims error
		(10)	7,433	To remove trips due to paid claims error
<b>Schedule B-4</b>				
2. Other SSA Allowable Units (D) 4th Quarter	196	4	200	To correctly report SSA units
2. Other SSA Allowable Units (D) 4th Quarter	-	(11)	189	To correctly report SSA units
5. SSA Unallowable Units (D) 4th Quarter	82	(4)	78	To correctly report SSA units
5. SSA Unallowable Units (D) 4th Quarter	-	11	89	To correctly report SSA units
<b>Schedule C</b>				
<b>I. County</b>				
(B) Interest- COG Revenue	\$ -	\$ 4,657	\$ 4,657	To match final COG workbook

**Appendix A (Page 2)**  
**Highland County Board of Developmental Disabilities**  
**2012 Income and Expenditure Report Adjustments**

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
<b>Worksheet 1</b>				
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 4,305	\$ (1,790)	\$ 2,515	To record depreciation for asphalt and AC uni
5. Movable Equipment (U) Transportation	\$ -	\$ 21,306		To record depreciation for buses purchases
		\$ 1,313	\$ 22,619	To record loss on disposal.
8. COG Expenses (L) Community Residential	\$ -	\$ 5	\$ 5	To match final COG workbook
8. COG Expenses (N) Service & Support Admin	\$ -	\$ 10	\$ 10	To match final COG workbook
8. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 6	\$ 6	To match final COG workbook
<b>Worksheet 2</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 247,341	\$ (173,512)	\$ 73,829	To reclassify MAC salary
2. Employee Benefits (X) Gen Expense All	\$ 110,848	\$ (305)	\$ 110,543	To match detail report
3. Service Contracts (X) Gen Expense All Prgm.	\$ 38,254	\$ (4,788)		To reclassify developmental center costs
		\$ (17,088)		To reclassify adult program costs
		\$ (4,682)	\$ 11,696	To reclassify fees paid to the COG
4. Other Expenses (O) Non-Federal	\$ 104,217	\$ 5,105		To reclassify legal case and admin fees
		\$ 7,315	\$ 116,637	To reclassify admin fees
4. Other Expenses (X) Gen Expense All Prgm.	\$ 222,130	\$ (11,698)		To reclassify food program expenses
		\$ (55,499)		To reclassify room and board expenses
		\$ (4,788)		To reclassify developmental center costs
		\$ (14,779)		To reclassify TCM match payment costs
		\$ (5,105)		To reclassify admin fees
		\$ (7,007)	\$ 123,254	To reclassify fees paid to the COG
5. COG Expenses (B) Pre-School	\$ 224	\$ (224)	\$ -	To match final COG workbook
5. COG Expense (G) Community Employment	\$ -	\$ 3,158	\$ 3,158	To match final COG workbook
5. COG Expense (N) Service & Support Admin	\$ 23,878	\$ (17,260)	\$ 6,618	To match final COG workbook
5. COG Expense (O) Non-Federal	\$ -	\$ 3,580	\$ 3,580	To match final COG workbook
<b>Worksheet 3</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 91,310	\$ (5,337)		To reclassify Operations Manager salary
		\$ (5,337)	\$ 80,636	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All	\$ 35,362	\$ (1,887)		To reclassify Operations Manager benefits
		\$ (1,887)	\$ 31,588	To reclassify Operations Manager benefits
4. Other Expenses (X) Gen Expense All Prgm.	\$ 160,752	\$ 1,790		To match detail report
		\$ (36,317)	\$ 126,225	To reconcile storage building payments
<b>Worksheet 4</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 28,680	\$ 5,337	\$ 34,017	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All	\$ 15,058	\$ 1,887	\$ 16,945	To reclassify Operations Manager benefits
4. Other Expenses (X) Gen Expense All Prgm.	\$ 6,806	\$ 11,698	\$ 18,504	To reclassify food program expenses
<b>Worksheet 5</b>				
1. Salaries (D) Unasgn Children Program	\$ 234,964	\$ (28,680)	\$ 206,284	To match detail report
3. Service Contracts (L) Community Residential	\$ 36,342	\$ (14,241)	\$ 22,101	To reclassify developmental center costs
4. Other Expenses (C) School Age	\$ 374	\$ 1,035		To match detail report
		\$ (160)	\$ 1,249	To reclassify fees paid to the COG
5. COG Expenses (O) Non-Federal	\$ -	\$ 2,298	\$ 2,298	To match final COG workbook
<b>Worksheet 6</b>				
1. Salaries (I) Medicaid Admin	\$ -	\$ 223,388	\$ 223,388	To match MAC report
1. Salaries (O) Non-Federal Reimbursable	\$ -	\$ 51,302	\$ 51,302	To match MAC report
<b>Worksheet 7-D</b>				
13. No. of Individual Served (E) Facility Based Services	\$ -	\$ 2	\$ 2	To record statistics for psych evaluation costs
<b>Worksheet 8</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 280,243	\$ 5,337	\$ 285,580	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All	\$ 239,901	\$ 1,887	\$ 241,788	To reclassify Operations Manager benefits
4. Other Expenses (X) Gen Expense All Prgm.	\$ 144,274	\$ (19,394)	\$ 124,880	To reclassify capital bus lease payment



**Appendix A (Page 3)**  
**Highland County Board of Developmental Disabilities**  
**2012 Income and Expenditure Report Adjustments**

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
<b>Worksheet 9</b>				
1. Salaries (N) Service & Support Admin. Costs	\$ 333,966	\$ (101,178)	\$ 232,788	To reclassify MAC salary
4. Other Expenses (N) Service & Support Admin. Costs	\$ 40,176	\$ (13,901)		To reclassify developmental center costs
		\$ (7,315)		To reclassify admin fees
		\$ (14,016)	\$ 4,944	To reclassify TCM match payment costs
5. COG Expenses (N) Service & Support Admin. Costs	\$ -	\$ 4,248	\$ 4,248	To match final COG workbook
<b>Worksheet 10</b>				
2. Employee Benefits (E) Facility Based	\$ 244,435	\$ 851	\$ 245,286	To match detail report
3. Service Contracts (H) Unasgn Adult Program	\$ -	\$ 17,088	\$ 17,088	To reclassify adult program costs
4. Other Expenses (E) Facility Based Services	\$ 61,782	\$ (32,318)		To reclassify developmental center costs
		\$ (17,716)	\$ 11,748	To reclassify TCM match payment costs
5. COG Expenses (G) Community Employment	\$ -	\$ 2,027	\$ 2,027	To match final COG workbook
<b>a1 Adult</b>				
10. Community Employment (B) Less Revenue	\$ -	\$ 2,027	\$ 2,027	To record RSC expenses paid through the CC
<b>Reconciliation to County Auditor Worksheet Expense:</b>				
Plus: Leases And Rentals	\$ -	\$ 19,394	\$ 19,394	To reconcile capital bus lease payment
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 24,102		To reconcile fees paid to COG
		\$ 4,682		To reconcile fees paid to COG
		\$ 160		To reconcile fees paid to COG
		\$ 7,007	\$ 35,951	To reconcile fees paid to COG
Plus: Match Paid To DODD For TCM	\$ 17,475	\$ 17,716		To reconcile TCM match payment costs
		\$ 14,779		To reconcile TCM match payment costs
		\$ 14,016	\$ 63,986	To reconcile TCM match payment costs
Plus:	\$ 30,323	\$ 4,788		To reconcile developmental center costs
		\$ 32,318		To reconcile developmental center costs
		\$ 14,241		To reconcile developmental center costs
		\$ 4,788		To reconcile developmental center costs
		\$ 13,901	\$ 100,359	To reconcile developmental center costs
Less: Capital Costs	\$ (56,851)	\$ (21,306)		To reconcile Bus purchases depreciation
		\$ 1,790		To reconcile Asphalt and AC unit depreciation
		(1,313)	(77,680)	
Less: Storage Building payment	\$ -	\$ 36,317	\$ 36,317	To reconcile storage building payment

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**Appendix B**  
**Highland County Board of Developmental Disabilities**  
**2013 Income and Expenditure Report Adjustments**

	Reported Amount		Correction		Corrected Amount	Explanation of Correction
<b>Schedule A</b>						
19. Room and Board/Cost to Live (L) Community Residential	-	\$	7,560	\$	7,560	To reclassify room and board costs
<b>Schedule B-1, Section A</b>						
4. Nursing Services (B) Adult	90		(23)		67	To reclassify child nursing square footage
4. Nursing Services (C) Child	-		23		23	To reclassify child nursing square footage
13. School Age (C) Child	1,759		(719)		1,040	To adjust for usage changes from prior audit
14. Facility Based Services (B) Adult	12,608		32			To reclassify Enclave program square footage
			55		12,695	To reclassify Community Employment program square footage
15. Supported Emp. - Enclave (B) Adult	32		(32)		-	To reclassify Enclave program square footage
16. Supported Emp. - Comm Emp. (B) Adult	55		(55)		-	To reclassify Community Employment program square footage
17. Medicaid Administration (A) MAC	-		7		7	To reclassify MAC square footage
21. Service And Support Admin (D) General	316		719		1,035	To adjust for usage changes from prior audit
23. Administration (D) General	936		(7)		929	To reclassify MAC square footage
25. Non-Reimbursable (C) Child	720		(720)		-	To adjust for usage changes from prior audit
<b>Schedule B-1, Section B</b>						
10. A (A) Facility Based Services	13,213		99			To correct days of attendance
			102		13,414	To correct days of attendance
11. A-1 (A) Facility Based Services	404		(99)			To correct days of attendance
			(102)		203	To correct days of attendance
<b>Schedule B-3</b>						
2. Pre-School (G) One Way Trips- Fourth Quarter	1,297		(484)		813	To report correct number of one-way trips
3. School Age (E) One Way Trips- Third Quarter	259		(186)		73	To report correct number of one-way trips
3. School Age (G) One Way Trips- Fourth Quarter	498		(498)		-	To report correct number of one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	6,501		(8)			To remove trips due to paid claims errors
			(7)		6,486	To remove trips due to paid claims errors
<b>Schedule B-4</b>						
2. Other SSA Allowable Units (A) 1st Quarter	950		453		1,403	To correctly report SSA units
<b>Worksheet 1</b>						
3. Buildings/Improve (N) Service & Support Admin	-	\$	1,877	\$	1,877	To record depreciation for SSA Office
3. Buildings/Improve (X) Gen Expense All Prgm.	39,638	\$	712	\$	40,350	To record depreciation for AC unit
5. Movable Equipment (U) Transportation	22,427	\$	(2,866)	\$		To record depreciation for buses
<b>Worksheet 2</b>						
1. Salaries (X) Gen Expense All Prgm.	48,260	\$	25,179	\$	73,439	To match detail report
2. Employee Benefits (X) Gen Expense All Prgm.	45,566	\$	77,583	\$	123,149	To match detail report
3. Service Contracts (X) Gen Expense All Prgm.	42,746	\$	(6,060)	\$		To match detail report
			(5,128)	\$	31,558	To reclassify developmental center costs
4. Other Expenses (O) Non-Federal Reimbursable	736	\$	(720)	\$		To match detail report
			6,848			To reclassify admin fees and fair booth expenses
			34,541	\$	41,405	To reclassify admin fees
4. Other Expenses (X) Gen Expense All Prgm.	248,354	\$	(31,840)	\$		To match detail report
			(6,848)			To reclassify admin fees and fair booth expenses
			(12,156)	\$	197,510	To reclassify building maintenance expenses
10. Unallowable Fees (O) Non-Federal	5,613	\$	15,346	\$	20,959	To match detail report

**Appendix B (Page 2)**  
**Highland County Board of Developmental Disabilities**  
**2013 Income and Expenditure Report Adjustments**

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
<b>Worksheet 3</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 9,076	\$ 42,568	\$ 51,644	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 1,402	\$ 19,456	\$ 20,858	To reclassify Operations Manager benefits
4. Other Expenses (E) Facility Based Services	\$ 11,006	\$ (8,494)	\$ 2,512	To reconcile HVAC system costs
4. Other Expenses (V) Admin	\$ 22,933	\$ (22,885)	\$ 48	To reclassify [type of expense]
4. Other Expenses (X) Gen Expense All Prgm.	\$ 117,885	\$ 12,156		To reclassify building maintenance expenses
		\$ (36,617)	\$ 93,424	To reconcile storage building payments
<b>Worksheet 4</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 30,317	\$ 5,321	\$ 35,638	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All	\$ 20,784	\$ 2,432	\$ 23,216	To reclassify Operations Manager benefits
4. Other Expenses (X) Gen Expense All Prgm.	\$ 7,120	\$ 6,076	\$ 13,196	To match detail report
<b>Worksheet 5</b>				
3. Service Contracts (D) Unasgn Children	\$ 13,386	\$ (13,386)	-	To match detail report
4. Other Expenses (L) Community Residential	\$ 136,408	\$ (15,955)		To reclassify TCM match payment costs
		\$ (31,204)		To reclassify developmental center costs
		\$ (34,541)		To reclassify admin fees
		\$ 2,848	\$ 57,556	To reclassify contract housing employee costs
5. COG Expenses (L) Community Residential	\$ -	\$ 4,446	\$ 4,446	To reclassify Behavior support and provider compliance costs
<b>Worksheet 8</b>				
1. Salaries (X) Gen Expense All Prgm.	\$ 329,142	\$ (42,568)		To reclassify Operations Manager salary
		\$ (5,321)	\$ 281,253	To reclassify Operations Manager salary
2. Employee Benefits (X) Gen Expense All	\$ 176,816	\$ (6,709)		To match detail report
		\$ (19,456)		To reclassify Operations Manager benefits
		\$ (2,432)	\$ 148,219	To reclassify Operations Manager benefits
4. Other Expenses (E) Facility Based Services	\$ 19,394	\$ (19,394)	-	To reconcile capital bus lease payment
<b>Worksheet 9</b>				
1. Salaries (N) Service & Support Admin. Costs	\$ 378,260	\$ (128,809)	\$ 249,451	To match detail report
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 187,238	\$ (5,637)	\$ 181,601	To match detail report
4. Other Expenses (N) Service & Support Admin. Costs	\$ 47,300	\$ (18,888)		To reclassify TCM match payment costs
		\$ (4,963)		To reclassify developmental center costs
		\$ (7,560)	\$ 15,889	To reclassify room and board costs
5. COG Expenses (N) Service & Support Admin. Costs	\$ 4,446	\$ (4,446)	-	To reclassify Behavior support and provider compliance costs
<b>Worksheet 10</b>				
1. Salaries (E) Facility Based Services	\$ 593,250	\$ 5,930	\$ 599,180	To match detail report
2. Employee Benefits (E) Facility Based Services	\$ 277,708	\$ 76,777	\$ 354,485	To match detail report
3. Service Contracts (E) Facility Based Services	\$ 75,462	\$ (5,203)		To match detail report
		\$ (2,848)		To reclassify contract housing employee costs
		\$ (13,581)	\$ 53,830	To reclassify Bridges program match payment
<b>a1 Adult</b>				
10. Community Employment (B) Less Revenue	\$ -	\$ 16,596	\$ 16,596	To record RSC expenses

**Appendix B (Page 3)**  
**Highland County Board of Developmental Disabilities**  
**2013 Income and Expenditure Report Adjustments**

	<b>Reported Amount</b>		<b>Correction</b>		<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Reconciliation to County Auditor</b>						
<b>Expense:</b>						
Plus: Leases And Rentals	\$ -	\$	19,394	\$	19,394	To reconcile capital bus lease payment
Plus: Purchases Greater Than \$5,000	\$ -	\$	8,494			To reconcile HVAC system costs
			\$ 22,885	\$	31,379	To reconcile Security system costs
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$	69,196	\$	69,196	To reconcile fees paid to COG
Plus: Match Paid To DODD For IO & LVI Waivers	\$ 44,492	\$	(5,867)	\$	38,625	To match detail report
Plus: Match Paid To DODD For TCM	\$ 72,892	\$	(72,892)			To match detail report
			\$ 15,955			To reconcile TCM match payment costs
			\$ 18,888	\$	34,843	To reconcile TCM match payment costs
Plus:	\$ -	\$	5,128			To reconcile developmental center costs
			\$ 31,204			To reconcile developmental center costs
			\$ 4,963	\$	41,295	To reconcile developmental center costs
Plus: Other	\$ -	\$	36,617			To reconcile storage building payments
			\$ 13,581	\$	50,198	To reconcile Bridges program match payment
Less: Capital Costs	\$ (77,170)	\$	(1,877)			To reconcile SSA Office depreciation
			\$ (712)			To reconcile AC depreciation
			\$ 2,866	\$	(76,893)	To reconcile buses depreciation

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# Dave Yost • Auditor of State

**HIGHLAND COUNTY BOARD OF DEVELOPMENTAL DISABILITIES**

**HIGHLAND 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  
OCTOBER 18, 2016**