



Dave Yost • Auditor of State

OHIO AUDITOR OF STATE **KEITH FABER**



January 24, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

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Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM), on the Medicaid ICF-IID Cost Report of Voca Corporation of Ohio DBA Norcross (hereafter referred to as the Provider) for the period January 1, 2016 through December 31, 2016. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report (Cost Report). The sufficiency of these procedures is solely the responsibility of ODM. 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.

Unless otherwise specified, Voca Corporation of Ohio provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs unless otherwise stated.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Monthly Census Summary Report to *Schedule A-1, Summary of Inpatient Days*. We found no variances
2. We selected five residents' medical records and compared the total days of care for December 2016 with the inpatient days reported on the daily census records and *Schedule A-1*. We determined total patient days equaled days reported and that the Provider did not include any waiver respite days as Medicaid or Medicare.
3. We compared the number of reimbursed Medicaid days per the Quality Decision Support System (QDSS) with the total Medicaid days on *Schedule A-1*. We found no variances.

Medicaid Paid Claims

1. We selected paid claims from QDSS for the five residents selected in the Occupancy and Usage procedure for December 2016. We compared the reimbursed days to the days documented per the resident's medical records. We found no variances.

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

Knowledge of Matters Outside Agreed-Upon Procedures

As separate matters that came to our attention, we noted that the Provider had a Monthly Census Summary showing a total number of days per month for each resident; however, it did not have detailed medication administration records for the full year that supported the summaries for four out of the five selected residents.

Knowledge of Matters Outside Agreed-Upon Procedures (Continued)

Recommendation: We recommend ODM further review this issue and determine if any improper payment was made to this Provider.

Revenue

1. We compared the Revenue Ledger with *Attachment 1, Revenue Trial Balance* and the Appendix to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1. We found no differences greater than \$500.
2. We scanned the Revenue Ledger for any revenue offsets or applicable credits which were not reported on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center* to offset corresponding expenses exceeding \$500 in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. We did not identify any revenue offsets/applicable credits.

Non-Payroll Expenses

1. We compared all non-payroll expenses reported on *Schedule B-1, Schedule B-2 and Schedule C* to the Detailed General Ledger and to the Trial Balance. We found no variances.
2. We scanned the Detailed General Ledger and selected 20 non-payroll expenses that were reported on *Schedule B-1, Schedule B-2, Schedule C, and Exhibit 3, Home Office Trial Balance*. We inspected supporting documentation and compared the allocation and cost classification to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1. We reported reclassifications in Appendix A.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We found no unreported contracts.
4. We compared the Home Office Combined Trial Balance and allocation methodology for Home Office costs on *Schedule B-1, Schedule B-2 and Schedule C* to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1, Section 2150. We found no reclassifications or adjustments resulting in decreased costs exceeding five percent.
5. We compared the 2016 non-payroll costs on *Schedule B-1, Schedule B-2 and Schedule C* by chart of account code to similar reported costs in 2015. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Trash and Refuse Removal costs increased on *Schedule B-1* due to increase in services;
 - Active Treatment Off-Site Day Program costs increased on *Schedule B-2* due to per diem rate increases;
 - Physical Therapist costs increased on *Schedule B-2* due to an increase in services provided;
 - Employee Fringe Benefits - Direct Care costs increased on *Schedule B-2* due to insurance premium rate increases; and
 - Security Services costs increased on *Schedule C* due to increase in services related to security issues in the surrounding area.

Property

1. We compared the procedures regarding capitalization of fixed assets used for preparing *Schedule D, Capital Cost Center; Schedule D-1, Analysis of Property, Plant and Equipment; and Schedule D-2, Capital Additions/Deletions* with Ohio Admin. Code § 5123:2-7-18 and CMS Publication 15-1. We found no inconsistencies.
2. We compared capital assets and corresponding depreciation on *Schedule D* and *Schedule D-1* to the Fixed Asset and Depreciation Listing. We found no variances.
3. We selected two additions and one deletion reported on *Schedule D-1* and *Schedule D-2* and compared the cost basis, useful life and depreciation expense to Ohio Admin. Code § 5123:2-7-18. We found no variances. We also confirmed the assets were used in residential care.
4. We inspected the building lease agreement and compared the parties in the agreement with ownership of the Provider and determined they were non-related party leases that met the requirements of FASB 13 and Ohio Admin. Code § 5123:2-7-24(B).

We determined the Provider maintained a leased vehicle, but could not determine if it met the above requirements for non-related party leases or the requirements for related party leases under CMS Publication 15-1, Section 1011.5 and Ohio Admin. Code § 5123:2-7-24(D) as it does not have a lease agreement.

5. We did not compare the renovation and financing costs in the Non-extensive Renovation Letter to *Schedule D-1* as there was no renovation and financing costs reported on *Schedule E, Balance Sheet*.
6. We did not compare transportation expenses to CMS Publication 15-1 as no transportation costs were reported on *Schedule D-1*.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Detailed General Ledger and Trial Balances to *Schedule B-1, Schedule B-2, Schedule C* and *Schedule C-1, Administrator's Compensation*. We found no differences greater than \$500.
2. We selected five employees reported on *Schedule B-1, Schedule B-2, Schedule C* and *Exhibit 3* and compared the organizational chart and job descriptions to the schedule in which each employee's salary and fringe benefit expenses were reported. We confirmed the payroll costs were properly classified, allocated and allowable in accordance with Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Chapter 9 and Section 2150
3. We compared the 2016 payroll costs on *Schedule B-1, Schedule B-2, Schedule C, Schedule C-1* and *Schedule C-2* by chart of account code to similar costs reported in 2015 and obtained the Provider's explanation for one payroll variance that increased by more than five percent and \$500. Registered Nurse costs increased on *Schedule B-2* due to increases in salary and hours worked.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Medicaid ICF-IID Cost Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Voca Corporation of Ohio DBA Norcross
Independent Accountants' Report on
Applying Agreed-Upon Procedures

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

January 9, 2019

Appendix A
VOCA Corporation of Ohio DBA Norcross
2016 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule C Indirect Care Cost Center				
31. Security Services - 7230 - Other/Contract Wages (2)	\$ 2,580	\$ (691)	\$ 1,889	To reclassify unsupported costs
40. Dues, Subscriptions and Licenses - 7270 - Other/Contract Wages (2)	\$ 1,228	\$ (744)	\$ 484	To reclassify unsupported costs
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract	\$ -	\$ 744	\$ 744	To reclassify unsupported costs
		\$ 691	\$ 1,435	To reclassify unsupported costs

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OHIO AUDITOR OF STATE KEITH FABER



VOCA CORP DBA NORCROSS

FRANKLIN 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
JANUARY 24, 2019**