



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

RE: Heinzerling Community DBA Heinzerling Developmental Center
Ohio Medicaid Number 0509766

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD), on the Medicaid ICF-IID Cost Report of Heinzerling Community DBA Heinzerling Developmental Center (hereafter referred to as the Provider) for the period January 1, 2018 through December 31, 2018. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report. The sufficiency of these procedures is solely the responsibility of ODM and DODD. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, Heinzerling Community provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Occupancy and Usage

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

Revenue

1. We compared the General Ledger with *Attachment 1, Revenue Trial Balance*, the Appendix to Ohio Admin. Code § 5123:2-7, and CMS Publication 15-1. We found no differences.
2. We scanned the General 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 in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. We did not identify any revenue offsets/applicable credits.

Medicaid Paid Claims

1. We selected paid claims for one month from the Quality Decision Support System (QDSS) for each of the eight residents selected in the Occupancy and Usage procedure and compared reimbursed days to the days documented on the residents' medical records. We found no unsupported days.

Medicaid Paid Claims, Continued

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

We also compared the medical records and documentation of authorized bed hold days in excess of 30 in a calendar year to the paid claims data. We found no unauthorized bed hold days. We also found no waiver respite days not in compliance with Ohio Admin. Code § 5123:2-7-03.

2. We compared the paid Medicaid days per QDSS with the total Medicaid days reported on *Schedule A-1*. We found reported days exceeded paid days.

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedule B-1*, *Schedule B-2* and *Schedule C* to the General Ledger, Adjusting Journal Entries and Trial Balances. We found no variances.
2. We scanned the General Ledger and selected 20 non-payroll expenses and five home office expenses from *Schedules B-1*, *B-2*, and *C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Instructions for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs-IID) (Cost Report Instructions) and CMS Publication 15-1. We found misclassifications and scanned the corresponding voucher and adjusting journal entries to identify any additional similar misclassifications. We found additional errors and reported adjustments in the Appendix.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3*, *Costs of Services from Related Parties*. One omitted contract is reported in the Appendix.
4. We compared the methodology used in the Home Office Allocation schedule for *Schedules B-1*, *B-2* and *C* to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, Section 2150.

We found the Provider allocated home office costs to each of its four ICF-IIDs based on a total cost methodology instead of the basis of ICF days as required by CMS Publication 15-1, Section 2150.3 (D)(2)(a). The Provider developed a revised Home Office Allocation Schedule which used a methodology based on ICF days. The recalculated home office costs did not result in decreased costs exceeding more than five percent on any schedule.

5. We compared the 2018 non-payroll costs reported on *Schedule B-1*, *Schedule B-2* and *Schedule C* by chart of account code to similar reported costs in 2017. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Licensed Practical Nurse - Purchased Nursing costs increased on *Schedule B-2* due to service and rate increases;
 - Enterals: Medicare Non-Billable costs increased on *Schedule C* due to price increases;
 - Worker's Compensation - Dietary and Worker's Compensation – Indirect Care increased on *Schedule C* due to rate and classification increases; and
 - Repair and Maintenance costs increased on *Schedule C* due to increased repairs.

Property

1. We compared the initial square footage and year of construction of the 1755 Heinzerling Drive facility from the Franklin County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no differences in the year or square footage variances exceeding 10 percent.

We also compared the square footage and year of construction for two removals from *Attachment 9, Log 1: Additional and Removals* to supporting documentation and the Cost Report Instructions. We found no differences.
2. We compared the project year, type and cost for five renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovations to the Cost Report Instructions. We found a difference in the year for one renovation as reported in the Appendix.
3. We did not test *Attachment 9, Log 3: Secondary Buildings* as the Provider did not report any secondary buildings.
4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the Depreciation Expense Report, equipment lease and invoices. We found no variances. We also compared the costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances.
5. We selected one capital asset from account 8040 and calculated the first year's depreciation based on the Cost Report instructions and useful lives prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation. We found no variance.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the General Ledger, Adjusting Journal Entry report and Trial Balances to *Schedule B-1, Schedule B-2, Schedule C, Schedule C-1, Administrator's Compensation*. We found no variances.
2. We selected a sample of five employees and two contracted individuals reported on *Schedule B-1, Schedule B-2, Schedule C*. We compared the job descriptions, time study worksheet, Adjusting Journal Entry report, contract agreement and one month of timesheets or other documentation of work performed to the schedule in which each employee's salary and fringe benefit expenses were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7 and to CMS Publication 15-1, Chapter 9 and Section 2150. We found variances as reported in the Appendix.
3. We compared the 2018 payroll costs on *Schedules B-1, B-2, C, and C-1* by chart of account code to similarly reported 2017 costs. We obtained explanations for five payroll variances that increased by more than five percent and \$500:
 - Director of Nursing, RN Charge Nurse and LPN Charge Nurse costs increased on *Schedule B-2* due to salary increases and more overtime for RN/LPN Charge Nurse positions;
 - Occupational Therapist increased on *Schedule B-2* due to salary increases; and
 - Other Administrative Personnel increased on *Schedule C* due to adding a new position and salary increases.

Heinzerling Community DBA Heinzerling Developmental Center
Independent Accountants' Report on
Applying Agreed-Upon Procedures

Provider Response:

The Provider has responded to issues discussed in this report. You may obtain a copy of their response from Robert Heinzerling, Executive Director, Heinzerling Community DBA Heinzerling Developmental Center at (614) 272-8888.

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

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



Keith Faber
Auditor of State
Columbus, Ohio

November 2, 2020

Appendix A
Heinzerling Community DBA Heinzerling Developmental Center
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
23. Active Treatment Off-Site Day Treatment Programming (External Provided)				
- 6217- Other/Contract Wages (2)	\$ 738,720	\$ (33,693)		To reclassify incontinence supplies to Indirect Costs
		\$ (26,628)	\$ 678,399	To reclassify food to Indirect Costs
24. Other Direct Care Medical Service - 6220- Salary (1)	\$ 27,344	\$ (25,239)	\$ 2,105	To reclassify Dietary Director salary to Indirect Costs
38. Payroll Taxes - Direct Care -6510 - Other/Contract Wages (2)	\$ 346,717	\$ (1,942)	\$ 344,775	To reclassify Dietary Director payroll taxes to Indirect Costs
39. Worker's Compensation - Direct Care -6520 - Other/Contract Wages (2)	\$ 169,901	\$ (951)	\$ 168,950	To reclassify Dietary Director worker's comp to Indirect Costs
40. Employee Fringe Benefits - Direct Care - 6530 - Other/Contract Wages (2)	\$ 835,398	\$ (4,678)	\$ 830,720	To reclassify Dietary Director fringe benefits to Indirect Costs
Schedule C Indirect Care Cost Center				
2. Food Service Supervisor - 7005 - Salary (1)	\$ 147,588	\$ 25,239	\$ 172,827	To reclassify Dietary Director salary to Indirect Costs
7. Food In-Facility - 7040 - Other/Contract Wages (2)	\$ 209,203	\$ 26,628	\$ 235,831	To reclassify food to Indirect Costs
22. Incontinence Supplies - 7115 - Other/Contract Wages (2)	\$ 67,697	\$ 33,693	\$ 101,390	To reclassify incontinence supplies to Indirect Costs
56. Payroll Taxes - Indirect Care -7500 - Other/Contract Wages (2)	\$ 38,638	\$ 1,942	\$ 40,580	To reclassify Dietary Director payroll taxes to Indirect Costs
57. Worker's Compensation - Indirect Care -7510 - Other/Contract Wages (2)	\$ 19,865	\$ 951	\$ 20,816	To reclassify Dietary Director worker's comp to Indirect Costs
58. Employee Fringe Benefits - Indirect Care - 7520 - Other/Contract Wages (2)	\$ 95,552	\$ 4,678	\$ 100,230	To reclassify Dietary Director fringe benefits to Indirect Costs
Schedule C-3				
8. Contracts In Effect During Reporting Period				
Contractor Name		Modern Office	Modern Office	
Contract Amount		Methods	Methods	To add contract greater than \$10,000
Goods or Services Provided		\$ 11,396	\$ 11,396	To add contract greater than \$10,000
		Copiers	Copiers	To add contract greater than \$10,000
Attachment 9, Fair Rental Value Survey				
Fair Rental Value Log 2: Renovation Projects Log				
Project Description				
21. Renovations - Project Year	2016	1	2017	To correct project year

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OHIO AUDITOR OF STATE KEITH FABER



HEINZERLING DEVELOPMENTAL CENTER

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/19/2020

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