



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(614) 466-3340

Independent Accountants' Report on Applying Agreed-Upon Procedures

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

RE: Res-Care Ohio, Inc. DBA 19th Street Group Home
Ohio Medicaid Number 0094158

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 Res-Care Ohio, Inc. DBA 19th Street Group Home (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, Res-Care Ohio, Inc. 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 Summary Report to *Schedule A-1, Summary of Inpatient Days*. We found no variance.
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 Summary reports and *Schedule A-1*. We found no differences.

Revenue

1. We compared the Detailed General Ledger and Trial Balance with *Attachment 1, Revenue Trial Balance*, the Appendix to Ohio Admin. Code § 5123:2-7 and Centers for Medicare & Medicaid Services (CMS) Publication 15-1. We found no variances.
2. We scanned the Detailed 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 the eight residents selected in the Occupancy and Usage procedure and compared reimbursed days to the days documented on the residents' medical records.
2. We compared the medical records to the general requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123:2-7-12, 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 variances.
3. We 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.
4. 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 *Schedules B-1, B-2 and C* to the Detailed General Ledger, Trial Balance and Home Office Allocation reports. We found no variances.
2. We scanned the Detailed 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 Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no variances exceeding \$500.
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 allocation methodology on the Home Office Allocation schedules for *Schedules B-1, B-2 and C* to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Section 2150. We found no reclassifications or adjustments resulting in decreased costs.
5. We compared the 2018 non-payroll costs reported on *Schedules B-1, B-2 and 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:
 - Payroll Taxes - Direct Care costs increased on *Schedule B-2* due to increases in direct care salaries;
 - Incontinence Supplies increased on *Schedule C* due to usage increase;
 - Travel and Entertainment increased on *Schedule C* due to charging a different account in the prior period;
 - Home Office increased on *Schedule C* due to closure of other homes; and
 - Repair and Maintenance increased on *Schedule C* due to new vendor providing monthly fire system inspections.

Property

1. We compared the initial square footage and year of construction of the 1865 Tremont Avenue SW facility from the Stark County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no differences in square footage variances exceeding 10 percent. We reported a difference in the year of construction in the Appendix.

We did not test *Attachment 9, Log 1: Additional and Removals* as the Provider did not report any additions or removals.

2. We compared the project year, type and cost for five renovations from the invoices and other supporting documentation to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions for ICF-IID. We found no variances.
3. We compared the square footage and year of construction of secondary buildings facilities from *Attachment 9: Fair Rental Value Log 3* to the Home Office List. We found no variances.

We compared the utilization percentage from the Home Office Allocation Schedules to *Attachment 9, Log 3*, the Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no variances.

4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the depreciation schedule, lease agreement, lease charge reports, and the Trial Balance. We also compared the costs to the Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found no variances.

We selected one capital asset each from account 8040 and calculated the first year's depreciation based on the Cost Report instructions for ICF-IID and useful lives prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variances greater than \$500 resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Detailed General Ledger, Trial Balance, and the Administrator's Wage Allocation Report to *Schedules B-1; B-2; C; and C-1, Administrator's Compensation*. We found no variances.
2. We selected a sample of five employees and two contracted individuals reported on *Schedules B-2, C and C-1*. We compared the job descriptions, contracts 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 no variances.
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 four payroll variances that increased by more than five percent and \$500. Registered Nurse, Habilitation Supervisor and Habilitation Staff costs increased on *Schedule B-2* due to increase in acuity and Administrator costs increased on *Schedule C* due to previous administrator not working a full year.

Res-Care Ohio, Inc. DBA 19th Street Group Home
Independent Accountants' Report on
Applying Agreed-Upon Procedures

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 the ODM and DODD, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

August 12, 2020

Appendix A
 Res-Care Ohio, Inc. DBA 19th Street Group Home
 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Year of Initial Construction	1991	(6)	1985	To correct the year of construction

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



RESCARE OHIO DBA 19TH STREET GROUP HOME

STARK 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 8/25/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov