



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

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 42nd Street Home (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.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Residential Services Daily Attendance Records 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* and determined total patient days equaled days reported. We also confirmed the Provider did not include any waiver respite days as Medicaid or Medicare days.
3. We compared the number of reimbursed Medicaid days per the Quality Decision Support System (QDSS) with total Medicaid days on *Schedule A-1*. We found no variances.

Medicaid Paid Claims

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

We also compared the Provider's documentation 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 instances of non-compliance.

Revenue

1. We compared all revenues on 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 differences as reported in Appendix A.
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 on *Schedule B-1, Schedule B-2 and Schedule C* to the Detailed General Ledger and Trial Balance reports. 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 exceeding \$500 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 the Provider's explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Water and Sewage costs increased on *Schedule B-1* due to a 2015 allocation error.
 - Home Office costs increased on *Schedule B-2* due to fewer ICF homes receiving allocated costs.
 - Incontinence Supply costs increased on *Schedule C* due to increased usage of these supplies by clients.
 - Communication costs increased on *Schedule C* due to increased use of the Internet from the adoption of electronic records.
 - Housekeeping costs increased on *Schedule C* due to ordering supplies from a new vendor.

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.

Property (Continued)

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 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 and determined the additions were used in residential care.
4. We inspected two lease agreements (a storage facility and a vehicle) and compared the parties in the agreement with ownership of the Provider and we determined they were non-related leases that met the requirements of FASB 13 and Ohio Admin. Code §5123:2-7-24(B). We found no variances.

We also determined the Provider rents a building from a related party and does not have a lease agreement. We received a Depreciation Schedule for the building from the related party and compared the depreciation amount to the rent payment in the General Ledger. We determined the related party lease costs met the requirements of CMS Publication 15-1, Section 1011.5 and Ohio Admin. Code § 5123:2-7-24(D).

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*.
6. We did not compare transportation expenses to CMS Publication 15-1 as no transportation costs were on *Schedule D-1*.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the General Ledger and Trial Balance reports to *Schedule B-1*, *Schedule B-2*, *Schedule C*, and *Schedule C-1*, *Administrator's Compensation*. We found no variances.
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 the two payroll variances that increased by more than five percent and \$500:
 - Habilitation Staff costs increased on *Schedule B-2* due to normal fluctuations in salaries and staff usage; and
 - Administrator costs increased on *Schedule C-1* due to the current Administrator working all of 2016 but only two thirds of 2015.

Voca Corporation of Ohio DBA 42nd Street 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 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

January 30, 2019

Appendix A
Voca Corporation of Ohio DBA 42nd Street Home
2016 Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
23. Other Direct Care - Specify Below - 6220 - Other/Contract Wages (2)	\$ 6,380	\$ (500)	\$ 5,880	To reclassify an unsupported expense
Schedule C Indirect Care Cost Center				
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 20	\$ 500	\$ 520	To reclassify an unsupported expense
Attachment 1 - Revenue Trial Balance				
3. Medicaid - Account Code 5012, Column 2	\$ 704,920	\$ (708)	\$ 704,212	To agree to the Revenue Ledger

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OHIO AUDITOR OF STATE KEITH FABER



42ND STREET HOME

STARK 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
FEBRUARY 21, 2019