



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 on the Anne Grady Corporation DBA Anne Grady Center's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Cost Report for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2022, and certain compliance requirements related to the Cost Report and Medicaid services. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. 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.

The procedures and the associated findings are as follows:

Census Data and Medicaid Paid Claims

1. We footed the Census Days by Client by Month report. There were no computational errors. We compared the total of inpatient and leave days from the census report to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected six residents from the Census Days by Client by Month report and included residents with leave days in the selection. We obtained the medical records for the selected individuals for one month. We confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123-3-04(J). We noted no omitted days.

For any reimbursed leave days, we totaled the leave days on the Census Days by Client by Month report and found no leave days over 30.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days are greater than net Medicaid reimbursed days.

Revenue

1. We agreed the revenue on the Cost Report Adjustments to the Working Trial Balance and from the Trial Balance to the revenue reported on *Attachment 1, Revenue Trial Balance* and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances.
2. We scanned the description in the Detailed General Ledger for any discounts, allowances or refunds or rebates and compared these entries to the chart of account codes 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*. We found no unreported offsets.

Non-Payroll Expenses

1. We compared all non-payroll expenses from Cost Report Adjustments to the Working Trial Balance and from the Trial Balance to *Schedule B-1, B-2 and C*. We found no variances.
2. We scanned the Detailed General Ledger for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll contract personnel/position vouchers and 10 home office expenses, including one contract personnel/position, and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances resulting in decreased costs.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. We compared the invoice rate to the contracted rate. We found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found no non-reimbursable costs.
- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions). We found no variances between schedules exceeding \$500.
- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found no cost that did not benefit the ICF-IID.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and the ICF's Depreciation/ Capitalization Policy and confirmed that the expense was not a capital asset.

Non-Payroll Expenses (Continued)

- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances resulting in decreased costs. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used in the Home Office Allocation worksheet and Shared Costs Summary for *Schedules B-1, Schedule C and Schedule D, Capital Cost Center* to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. We reviewed the ICF-IID's methodology to allocate home office costs between unlike facilities and we found the ICF-IID used a revenue methodology in lieu of the total cost methodology required by CMS Publication 15-1, § 2150.3 (D)(2).

Therefore, we asked the ICF-IID to recalculate home office costs using a total cost methodology. We received the ICF-IID's Home Office Percentage Analysis worksheet and compared it to the Income Statement. We found no differences; however, the Home Office worksheet calculation resulted in decreased costs as reported on the Appendix.

Payroll

1. We compared all salary and fringe benefits on the Working Trial Balance to *Schedules B-2 and C*. We found no variances.

We also compared hours and percentage of time worked and salaries from the Administrative Wage Allocation report to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We obtained the Detailed General Ledger and selected five employees reported on *Schedule B-2 and C* and the employee reported on *Schedule C-1* and if the programs which benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:
- We compared the job description and Payroll Calculation worksheet to the Detailed General Ledger and the Cost Report and determined if documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found a variance for unsupported costs for one employee as reported in the Appendix.
 - We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs.
 - We compared the employee job description and salary and benefit costs on the Detailed General Ledger to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances.

We compared the cost methodology and allocation statistics for each employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances resulting in decreased costs.

Property

1. We compared the initial square footage and year of construction of the 1531 South Eber Road facility from the Lucas County Auditor's Property records and the Center Square Footage Summary to *Attachment 9, Fair Rental Value Survey*. There was no difference in the year. We noted a variance of less than 10% for the initial square footage.

We selected two removals within the records retention period of 7 years and compared the square footage, type and the year from the DODD Bed Reduction letters and the Lucas County Property records to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions for ICF-IID and Ohio Admin. Code § 5123-7-12. We found no variance in the year or type or any square footage variances.

2. We compared the project year, type and cost for five recent renovations from the invoices to the Renovations Summary and from the Summary to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared equipment depreciation and lease costs from the Fixed Asset Summary, Book to Cost Report worksheet and Detailed General Ledger to *Schedule D, Capital Cost Center* and the Cost Report Instructions. There were no variances.

We scanned the Fixed Asset Summary, Book to Cost Report Worksheet and Detailed General Ledger to identify any reported loss on *Schedule D* no in accordance with CMS Publication 15-1, § 104.10(E) and found none.

4. We selected one capital asset from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the one asset selected, based on the Cost Report instructions and useful lives prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation and found no variances.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the ICF-IID's Cost Report and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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We are required to be independent of the ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.

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

February 27, 2024

Appendix
Anne Grady Corporation DBA Anne Grady Center
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
7. Heat, Light & Power - 6020 - adjustments increases (decreases) (4)	\$ -	\$ (937)	\$ (937)	To reduce Home Office Costs based on allowable cost methodology in lieu of revenue methodology
Schedule B-2 Direct Care Cost Center				
33. Occupational Therapy - 6610 - Salary Facility Employed (1)	\$ 28,750	\$ (415)	\$ 28,335	To correct an improper allocation calculation
Schedule C Indirect Care Cost Center				
44. Help Wanted/Info Advertising - 7290 - adjustments increases (decreases) (4)	\$ -	\$ (4,712)	\$ (4,712)	To reduce Home Office Costs based on allowable cost methodology in lieu of revenue methodology
Schedule D, Capital Cost Center				
1. Building Depreciation - 8010 - adjustments increases (decreases) (4)	\$ (15,735)	\$ (1,212)	\$ (16,947)	To reduce Home Office Costs based on allowable cost methodology in lieu of revenue methodology

OHIO AUDITOR OF STATE KEITH FABER



ANNE GRADY CORPORATION DBA ANNE GRADY CENTER

LUCAS 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 3/21/2024

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