

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

Expenditure Testing for NFs and ICFs-MR

1. **Nursing Facilities (NFs)** - Parameters Determined by Cost Centers for Testing of Expenditures

A. **Other Protected Costs - Testing Parameters**

Select at least four (4) accounts in the Other Protected Care Cost Center, which are not examined through other Work Program Procedures, using Parameters 1 through 4. The selection of accounts for Testing of Expenditures will use the following criteria:

1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 2% and is \$.10 or greater, then account is selected for testing of expenditures. Accounts are selected in order of highest per diem increase. When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.
3. **If Less Than Four Accounts Meet the Parameters of 1 and 2-** then select from the following listing the accounts necessary for testing of at least four accounts:
 - a. 6000 - Medical Supplies Billable to Medicare
 - b. 6001 - Medical Supplies Non-Billable to Medicare
 - c. 6003 - Oxygen
 - d. 6005 - Medical Minor Equipment - Billable to Medicare
 - e. 6006 - Medical Minor Equipment Non-Billable to Medicare
 - f. 6040 - Trash and Refuse Removal
 - g. 6050 - Hazardous Medical Waste Collection
 - h. 6060 - Real Estate Taxes

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

i. 6080 - Franchise Tax

The order of selection should be based on highest per diem increase in comparison to the prior period.

4. **If Four (4) Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the current period account balance. The Order of selection will be accounts having the highest dollars value for current period.

B. Direct Care Cost - Testing Parameters

Select at least three (3) accounts in the Direct Care Cost Center, which are not examined through other Work Program Procedures, using the Testing Parameters of 1 through 4. The selection of accounts for Testing of Expenditures will use the following Parameters:

1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 6% and is \$.89 or greater, then account is selected for vouching of expenditures.
 - Accounts are selected in order of highest per diem increase.

When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.

3. **If Less Than three (3) Accounts Meet the Parameters 1 and 2** - then select from the following listing the accounts necessary for testing of at least 3 accounts:
 - a. 6220 - Other Direct Care Medical Services
 - b. 6300 - Registered Nurse- Purchased Nursing
 - c. 6310 - Licensed Practical Nurse
 - d. 6320 - Nurse Aides

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

- e. 6490 - Employee Fringe Benefits
- f. 6530 - Employee Fringe Benefits

The Order Selection should be based on highest per diem increase in comparison to the prior period.

- 4. **If Three (3) Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the current period account balance. The order of selection will be accounts having the highest dollar amount for current period.

C. Indirect Care Cost Center - Testing Parameters

Select at least six (6) accounts in the Indirect Care Cost Center, which are not examined through other Work Program Procedures. The selection of accounts for Testing of Expenditures will use the following Parameters:

- 1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
- 2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 7% and is \$.63 or greater, then account is selected for vouching of expenditures.
- Accounts are selected in order of highest per diem increase.

When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.

- 3. **If Less Than Six (6) Accounts Meet the Parameters of 1 and 2** - select from the following listing the accounts necessary for testing of at least 6:
 - a. 7055 – Enterals
 - b. 7070 - Employee Fringe Benefits
 - c. 7100 - Habilitation Supplies

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

- d. 7120 - Personal Care Supplies
- e. 7215 - Consulting & MGMT
- f. 7230 - Security Services
- g. 7290 - Help Wanted/Informational Advertising
- h. 7305 - Other Indirect
- i. 7330 - Plant Operation & Maintenance
- j. 7340 - Repairs and Maintenance
- k. 7350 - Minor Equipment
- l. 7520 - Employee Fringe Benefits

The Order Selection should be based on highest per diem increase in comparison to the prior period.

4. **If 6 Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the account balance. The Order of selection will be accounts having the highest dollars value for current period.

II. Intermediate Care Facilities for Mentally Retarded (ICFs-MR) - Parameters Determined by Cost Centers for Testing of Expenditures

A. Other Protected Costs - Testing Parameters

Select at least three (3) accounts in the Other Protected Care Cost Center, which are not examined through other Work Program Procedures, using Parameters 1 through 4. The selection of accounts for Testing of Expenditures will use the following Parameters:

- 1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
- 2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 2% and is \$.04 or greater, then account is selected for vouching

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

of expenditures. *Accounts are selected in order of highest per diem increase.* When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.

3. **If Less Than Three (3) Accounts Meet the Parameters of 1 and 2** - then select from the following listing the accounts necessary for testing of at least three accounts:
 - a. 6001 - Medical Supplies Non Billable to Medicare
 - b. 6006 - Medical Minor Equipment Non-Billable to Medicare
 - c. 6060 - Real Estate Taxes
 - d. 6080 - Franchise Tax

The Order of Selection should be based on highest per diem increase in comparison to the prior period.

4. **If Three (3) Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the current period account balance. The Order of selection will be accounts having the highest dollars value for current period.

B. Direct Care Cost - Testing Parameters

Select at least three (3) accounts in the Direct Care Cost Center, which are not examined through other Work Program Procedures, using Parameters 1 through 4. The selection of accounts for Testing of Expenditures will use the following Parameters:

1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 3% and is \$.88 or greater, then account is selected for testing of expenditures. Accounts are selected in order of highest per diem increase. When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.
3. **If Less Than three (3) Accounts Meet the Parameters of 1 and 2** - then select

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

from the following listing the accounts necessary for testing of at least 3 accounts:

- a. 6220 - Other Direct Care Medical Services
- b. 6300 - Registered Nurse- Purchased Nursing
- c. 6310 - Licensed Practical Nurse
- d. 6320 - Nurse Aides
- e. 6530 - Employee Fringe Benefits

The Order Selection should be based on highest per diem increase in comparison to the prior period.

4. **If Three (3) Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the current period account balance. The Order of selection will be accounts having the highest dollars value for current period.

C. Indirect Care Cost Center - Testing Parameters

Select at least six (6) accounts in the Indirect Care Cost Center, which are not examined through other Work Program Procedures, using Parameters 1 through 4. The selection of accounts for Testing of Expenditures will use the following Parameters:

1. **Prior Period Adjustments** - accounts with prior adjustments are selected for testing of expenditures in the current period.
2. **Comparison by Account Number** - if the Current Period Per Diem exceeds the Prior Period Per Diem by 3% and is \$.11 or greater, then account is selected for vouching of expenditures. Accounts are selected in order of highest per diem increase. When multiple accounts have the same per diem increase, the selection of account will be based upon the highest current period dollar amount ranked in descending order.
3. **If Less Than Six (6) Accounts Meet the Parameters of 1 and 2** - select from the following listing the accounts necessary for testing of at least 6 accounts:
 - a. 7055 – Enterals

Ohio Department of Job and Family Services
Office of Research, Assessment & Accountability
Bureau of Audit

Audit Work Program - Attachment 2

- b. 7070 - Employee Fringe Benefits
- c. 7100 - Habilitation Supplies
- d. 7120 - Personal Care Supplies
- e. 7215 - Consulting & MGMT
- f. 7230 - Security Services
- g. 7290 - Help Wanted/Informational Advertising
- h. 7305 - Other Indirect
- i. 7330 - Plant Operation & Maintenance
- j. 7340 - Repairs and Maintenance
- k. 7350 - Minor Equipment
- l. 7520 - Employee Fringe Benefits

The Order of Selection should be based on highest per diem increase in comparison to the prior period.

4. **If 6 Accounts have not been Identified by Parameters 1, 2 and 3** - then the remaining accounts are selected using the current period account balance. The Order of Selection will be accounts having the highest dollars **value for current period.**