



Ohio Revised Code Section 5165.109 Audit.

Effective: October 3, 2023

Legislation: House Bill 33

(A) The department of medicaid may conduct an audit, as defined in rules adopted under section 5165.02 of the Revised Code, of any cost report filed under section 5165.10 or 5165.522 of the Revised Code. The decision whether to conduct an audit and the scope of the audit, which may be a desk or field audit, may be determined based on prior performance of the provider, a risk analysis, or other evidence that gives the department reason to believe that the provider has reported costs improperly. A desk or field audit may be performed annually, but is required whenever a provider does not pass the risk analysis tolerance factors.

(B) Audits shall be conducted by auditors under contract with the department, auditors working for firms under contract with the department, or auditors employed by the department.

The department may establish a contract for the auditing of nursing facilities by outside firms. Each contract entered into by bidding shall be effective for one to two years.

(C) The department shall notify a provider of the findings of an audit of a cost report by issuing an audit report. The audit report shall include notice of any fine imposed under section 5165.1010 of the Revised Code. The department shall issue the audit report not later than three years after the earlier of the following:

(1) The date the cost report is filed;

(2) The date a desk or field audit of the cost report or a cost report for a subsequent cost reporting period is completed.

(D) The department shall prepare a written summary of any audit disallowance that is made after the effective date of the rate that is based on the cost. Where the provider is pursuing judicial or administrative remedies in good faith regarding the disallowance, the department shall not withhold from the provider's current payments any amounts the department claims to be due from the provider



pursuant to section 5165.41 of the Revised Code.

(E)(1) If an audit is conducted by an auditor under contract with the department, the audit shall be conducted in accordance with procedures agreed upon between the department and the auditor.

(2) If an audit is conducted by the department, the department shall develop an audit plan or approach before the audit begins. The scope of the audit may change during the course of the audit based on observations and findings during the audit.

(3) All of the following apply to each field audit conducted by an auditor under contract with the department:

(a) During the period of the auditor's contract, firm's contract, or auditor's employment with the department, the auditor or firm does not have and is not committed to acquire any direct or indirect financial interest in the ownership, financing, or operation of nursing facilities in this state.

(b) The auditor does not audit any provider that has been a client of the auditor or the auditor's firm.

(c) The auditor is otherwise independent as determined by the standards of independence included in the government auditing standards produced by the United States government accountability office.