



2023 Home Care Cost Report Audit Kickoff



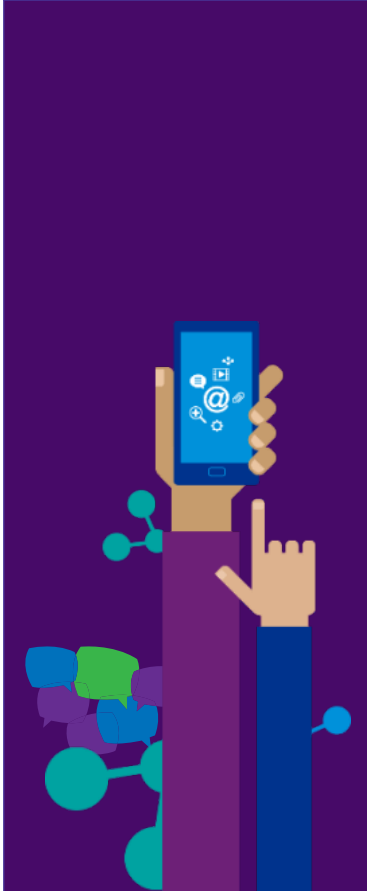
September 16, 2024



Outreach session protocols

Protocols

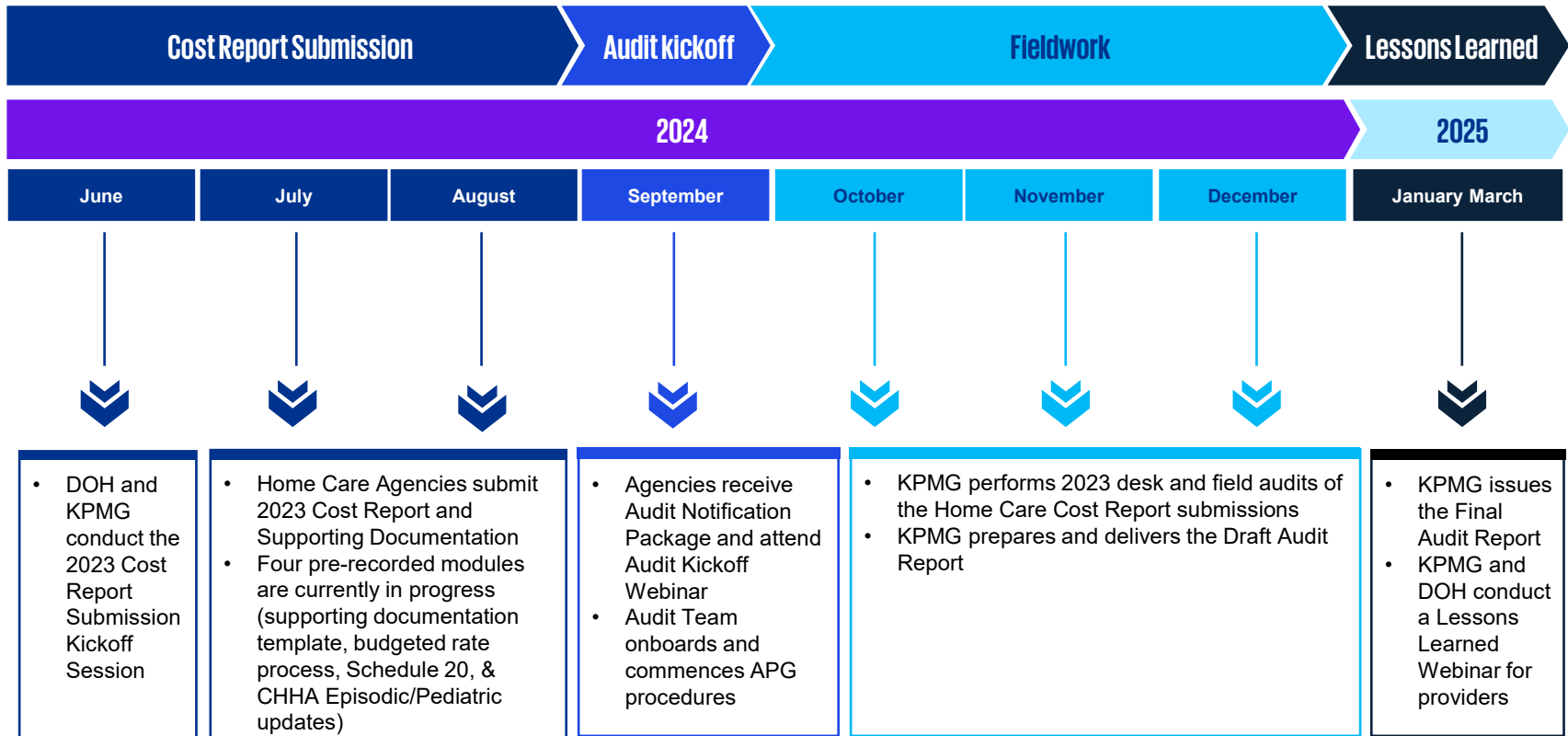
- Please note that participants will be on mute for the duration of the session.
- If you have questions during the presentation, please enter them using the chat feature in Microsoft Teams during the designated question periods throughout the presentation. The New York State Department of Health (DOH) and KPMG LLP (KPMG) will answer the questions during this session or add the question and response to the list of FAQs, if applicable.
- **Note that questions should be limited to Home Care Cost Report and Audit matters only.**



Agenda

Topic	Speaker	Time
Timeline	DOH	5 minutes
Audit process	KPMG	15 minutes
Web-based Tool: “Audit/Questions” tab	KPMG	15 minutes
What if I get selected for field audit?	KPMG	10 minutes
Next steps	KPMG	5 minutes
Q&A period	DOH/KPMG	10 minutes
	Total Time:	60 minutes

2023 Cost Report Timeline



Auditee selection

Items to note

- The Department of Health selected Home Care agencies for audit for the 2023 cost report year.
- If your agency has been selected by DOH for audit, you should have received an Audit Notification Package from KPMG (us-advrisknyshc@kpmg.com).
- **Please do not send an email asking if your agency has been selected for audit.** Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all agencies have been notified.
- KPMG will conduct audit procedures from September 2024 to December 2024.





Audit process

Audit overview

Overview

— Audit goals:

- Review, analyze, test, and verify financial and statistical records to determine whether appropriate data was included in each agency's Home Care Cost Report submission.
- Gain an understanding of Home Care agency data retention and reporting processes and systems.
- Promote uniform standards for data submission and collection.
- Improve compliance and reporting through training and outreach.

— Audit scope:

- All agencies that submit a 2023 Home Care Cost Report may be subject to audit.
 - The audit will be a desk and field review of the CHHA, LHCSA, or FI entities operated by the agencies selected for audit by the Department.
 - Desk procedures will include a review of cost report Schedules 3, 4, 5, and a portion of Schedule 19
- KPMG will conduct audit procedures in accordance with the Audit Program Guide (APG) that has been approved by DOH.
- The audit procedures will also be conducted in accordance with the *Generally Accepted Government Auditing Standards* (GAGAS)

<https://www.gao.gov/assets/700/693136.pdf>

Audit Notification Package

Audit Notification Package

- Most agencies selected for audit have been notified via the Audit Notification Package at this time.
- The purpose of the Audit Notification Package is to communicate details and set expectations to assist in your continued preparation for the Home Care Cost Report audit.
- The Audit Notification Package includes the following:
 - Audit timeline and process
 - Key phases of the audit
 - Data collection
 - Communications
 - Next steps and key resources
 - Documentation requests details
 - Agency representation details



Key phases of the audit



Phase	Key milestones	Associated agency activities
I. Kickoff	— Auditee notification	Identify appropriate professionals to be involved in the audit.
	— Planning/Prefieldwork	Review the Lessons Learned and Cost Report Submission webinars and pre-recorded modules posted in the “Useful Links” section of the Home Care Tool and attend the Audit Kickoff webinar.
	— Audit Kickoff webinar	Enter agency contacts in the “Contact Information” tab.
		Review and confirm agreement with the agency representation statement within the “Agency Representation” tab of the Home Care Tool.
		If not already done, complete the “Financial Reconciliation” tab by entering the total expenses per your agency’s financial statements along with any reconciling items that may cause a variance between Schedule 3 and your agency’s financial statements.
II. Fieldwork		Complete the “Documentation Requests” tab by marking all documentation that was provided to the SFTP site as “Provided.” The titles that appear in this tab are derived from your answers to the schedule-specific questions at the top of each schedule.
	— Desk audit procedures	Help resolve any reporting data issues.
	— Field audit procedures (if applicable)	Provide supporting documentation as requested by assigned auditors.
	— Adjustments	Provide additional supporting documentation required for field audit procedures, if applicable.
		Respond to questions presented by audit team.
		Execute the required adjustments within the “Adjusted Cost Report Schedules” tab of the Tool if errors are identified during the Audit.
		Reconfirm data representation in the “Data Representation” tab of the Home Care Tool, if adjustments were submitted during the Audit.
	Review findings/adjustments before release of the Exit Dashboard .	

Key phases of the audit (continued)



Phase	Key milestones	Associated agency activities
III. Closeout	— Review and agree/disagree to Findings within the “Potential Findings” subtab, if applicable.	Review the “Potential Findings” subtab within the “Audit/Questions” tab of the Home Care Tool and select “Agree” or “Disagree” for each potential finding listed.
	— Management response, if applicable	Review and provide management response on each finding and/or Performance Improvement Opportunities (PIOs) on the Exit Dashboard, if applicable.
	— Final Exit Dashboard	Sign off in the “Dashboard Signoff” section to finalize the Exit Dashboard.

Audit process

Data collection and protocols

Supporting documentation and inquiries:

- Supporting documentation that was used to complete the Home Care Cost Report was required to be uploaded to the SFTP site within 7 business days of the Cost Report submission.
- We acknowledge the delays in password resets and other technical issues. Accordingly, the Department will work with agencies and grant extensions to provide supporting documentation, as needed. **We are currently prioritizing SFTP requests for agencies being audited.**
- Throughout the audit process, KPMG audit teams will follow up with your agency requesting clarification or explanations for certain items, or additional documentation to be submitted.
- Agencies are expected to provide the requested information within **three business days of the audit team request.**
- All additional supporting documentation should be uploaded via the SFTP site.

Protocols:

- **Inability to provide complete data:** If an agency is unable to provide data in the format prescribed within the scope of the audit, a finding will be documented and shared with DOH.
- **Nonresponsiveness:** If an agency does not provide a response to an audit request or is completely nonresponsive, the audit team will send a follow-up email to the contacts noted within the Tool. If the agency does not respond within three business days, a finding will be documented and shared with DOH.
- NOTE: The data reported on the 2023 Home Care Cost Report, specifically on Schedules 3, 4, 5, and 7, will be used to set 2025 Medicaid reimbursement rates.
- If adjustments are made throughout the audit process, DOH will use the adjusted (corrected) 2023 cost report data for 2025 rates.

Reminder...

Tasks to complete prior to audit procedures



Four tasks to complete

If you have not already done so, there are four tasks auditees must complete prior to beginning audit procedures. These tasks are listed below and described in further detail on the following slides.

1. Review the **“Documentation Request” tab** in the Web-based Tool and confirm that you have uploaded all supporting documentation files listed in this tab to the SFTP site by checking off the “Provided” boxes.



2. Review and submit your agency’s representation via the **“Agency Representation” tab** of the Tool.



3. Complete the **“Financial Reconciliation” tab** in the Tool by entering the total expenses per your agency’s financial statements along with any reconciling items that may cause a variance between Schedule 3 total costs and your financial statements.



4. Enter your agency’s contact information in the **“Contact Information” tab** of the Tool.



Tasks to complete prior to audit procedures (continued)

1. Complete supporting documentation check

- As you are aware from completing the 2023 Cost Report, there are a series of questions within each cost report schedule that must be answered (Schedule-Specific Questionnaire). Two of these questions are related to supporting documentation:
 1. The first question asks you to indicate the type of supporting documentation used to complete the particular schedule (check all that apply).
 2. The second question asks you for the name of the supporting document(s) as well as the name of the specific file(s) that demonstrates the allocation methodology used for cost reporting.

The screenshot shows a web-based questionnaire interface. At the top, it says 'Questionnaire' and 'Cost and Expenses'. The first question, 'Question: 3.1a', asks 'What data source document(s) did your agency use to complete this schedule (please check all that apply)?'. It has five checkboxes: 'Approved budget', 'General ledger', 'Trial balance' (which is checked), 'Payroll register', and 'Other'. Below this is a text input field for 'If other, please describe'. The second question, 'Question: 3.2a', asks for file names for the data source documents. It includes a table with one row: 'File Name' is 'Schedule 3a' and 'Actions' are 'Edit' and 'Delete'. There is an 'Add Row' button below the table.

File Name	Actions
Schedule 3a	Edit Delete

Reminder...

Tasks to complete prior to audit procedures (continued)

1. Complete supporting documentation check (continued)

- The supporting documentation names that you enter will flow through to the **“Documentation Requests”** tab.
 - This tab was created to serve as the central location for listing all documents that will need to be submitted.
 - After your documents have been uploaded to the SFTP site, **please mark the checkbox in the “Provided” column next to each document name to indicate that the file has been uploaded.**
- Note that this tab should have been completed within seven calendar days of your cost report submissions (same timeframe as the requirement to upload all supporting documentation).
- Once you have confirmed that all files have been provided and checked off the “provided” checkbox for each, please click the “Submit Documentation Requests” button in the top right corner of the tab.

“Cost Report Schedules” tab:

Questionnaire

Cost and Expenses

Question 3.1a
What data source document(s) did your agency use to complete this schedule (please check all that apply)?

Approved budget
 General ledger
 Trial balance
 Payroll register
 Other
If other, please describe

Question 3.2a
In the below table, please add a row and enter the file name for each of the data source documents you indicated in the above question were used to complete this schedule. In addition to the files indicated in the above question, you are also required to submit a cross walk file that details the steps taken to allocate any agency level information across the entities operated by the agency. Please also be sure to add a row and enter the file name for this cross walk document.

File Name	Actions
Schedule 3a	Edit Delete

Add Row

tab flows into Document Request tab

“Documentation Requests” tab:

Instructions Frequently Asked Questions (FAQ) Reporting Hierarchy Cost Report Schedules Financial Reconciliation General Questionnaire Cost Report Submission **Documentation Requests** Contact Information Agency Representation Audit / Questions

Data Representation Reporting

Document Requests Submit Documentation Requests

This tab consists of the list of supporting documentation files that you should upload to the Secure File Transfer Protocol (SFTP) Site. This list consists of the document names that you identified within each schedule that were used to populate the cost report. Note that the document names below appear as you typed them within each schedule.

Please upload the documents requested below to the SFTP Site using the login credentials that were sent to you.
[Log in to the SFTP site](#)

After you upload your documentation to the SFTP Site, please mark the checkbox in the “Provided” column next to each document name to indicate that the file has been uploaded. This will help during the audit process to understand which documents have been uploaded to the SFTP Site.

Please note that multiple documents can be uploaded to the SFTP Site using a zip file. Agency contacts will have access to the agency’s specific folder on the SFTP Site.

The KPMG team will indicate when they have received the document by marking the checkbox in the “Received” column and will follow-up as necessary for any additional questions.

Documentation Requests from the Cost Report Schedules Questions

Request	File Name	Provided	Received
Question 3.2a	Schedule 3a	<input type="checkbox"/>	

Tasks to complete prior to audit procedures (continued)

2. Submit the agency representation

- The intention of the agency representation statement is to verify that the information provided in the 2023 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate.
- The agency representations will be submitted electronically within the Tool in the **“Agency Representation”** tab.
 - The certification must come from an officer of the home care agency or a member of the home care agency’s senior management team, as is the case for submission of the Home Care Cost Report itself. It is strongly recommended that this individual be the agency’s CEO, CFO, VP of Finance, or equivalent.
- These representations are required to be submitted before the audit procedures begin and must be complete by the date outlined in the Audit Notification Package.

“Agency Representation” tab:

The intention of the agency representation statement is to verify that the information provided to KPMG through the 2022 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate.

These representations will be submitted electronically within the Tool. It is not necessary to submit a hard copy. You will have the opportunity to agree or disagree with the representations within the Tool and provide comments; however, please note that disagreement with or failure to submit the representations will likely result in the noting of scope limitation in the final report.

The Department requires that the certification included as part of the Home Care Cost Report 2022 Audit Tool must come from an officer of the home care agency or a member of the home care agency’s senior management team, as is the case for submission of the Home Care Cost Report itself. It is strongly recommended that this individual be the agency’s CEO, CFO, VP of Finance, or equivalent.

We at Test Organization confirm, to the best of our knowledge and belief, the following representations as they relate to the Home Care Cost Report Audit for Report Year 2022:

1. We have read and understand the timeline, home care agency responsibilities and protocols outlined in the Home Care Agency notification package.
2. Information and data provided to KPMG LLP (KPMG) as part of the Home Care Cost Report Audit and other submissions are complete and accurate.
3. To the extent the Agency has uncovered any illegal acts or fraud we have provided you a summary of the impact of such activity to the Agency.
4. To the extent available we have provided you a copy of any reports (internal audit, etc.) that have been completed during the 2022 cost report year and for the 12 months prior.
5. For the period under audit, we have made available to you the requested financial records, reports and related data as instructed.
6. Detailed support exists for the amounts reported in the Home Care Cost Report and can be provided upon request, if not already done so.
7. Except as disclosed to you in writing, there have been no communications from the New York State Department of Health, or other regulatory agencies, concerning rulings made by The Department and/or noncompliance with, or deficiencies in, our Home Care Cost Report submissions.
8. There were no significant deficiencies, material weaknesses, or management letter comments noted that relate to the system(s) or process(es) that support the Home Care Cost Report submissions presented by the Test Organization independent auditors for the period covered by this audit.
9. We believe that the effects of any data or documentation not provided as part of this request were not pertinent to KPMG’s audit effort.

Further, we confirm that we are responsible for the fair representation and provision of the items requested by KPMG, and if throughout the conduct of this audit any matter comes to my attention that would alter any of the representations made, I will contact you to discuss the matter.

Please provide the name and title of the official taking responsibility for the confirmation.

Name: Title:

Please respond accordingly.

I agree with the assertions above.

I do not agree with the assertions above and take exception as noted below.

Tasks to complete prior to audit procedures (continued)

3. Complete the “Financial Reconciliation” tab

- If you have not done so already, please complete the **“Financial Reconciliation” tab** of the Tool.
- The purpose of this tab is to reconcile the total entity costs reported on Schedules 3 to the agency's Financial Statement documentation to help ensure that all appropriate costs were included on Schedule 3.
 - For further detail on how to complete this tab, please review the instructions at the top of the “Financial Reconciliation” tab, review the Cost Report Instructions, or listen to the pre-recording from the Home Care Cost Report Web-based Tool Walkthrough Module, which is available in the “Useful Links” section of the “Instructions” tab of the Tool.
- This tab is required to be submitted before the audit procedures begin and must be complete by the date outlined in the Audit Notification Package.

“Financial Reconciliation” tab:

Instructions	Frequently Asked Questions (FAQ)	Reporting Hierarchy	Cost Report Schedules	Financial Reconciliation	General Questionnaire	Cost Report Submission	Documentation Requests	Agency Representation	Extensions	Milestone Extensions	Adjusted Cost Report Schedules	Contact Information
Audit / Questions	Data Representation	Engagement Status	Agendas	Provider Questions	Reporting							

Financial Reconciliation

Per the Home Care Cost Report instructions, Schedule 3 of the Home Care Cost Report should include an agency's total expenses including direct care personnel costs, administrative personnel costs, non-personnel costs, and non-reimbursable costs. As such, the Total Entity Costs per Schedule 3 of the cost report schedules tab should reconcile to the total expenses per the agency's Financial Statements for the calendar year being reported. The purpose of this Financial Statement Reconciliation is to reconcile the total entity costs reported on Schedules 3a, 3b, and/or 3c to the agency's Financial Statement documentation, to help ensure that all appropriate costs were included on Schedule 3. Please note that the completion of this tab is optional for all agencies; however, any agencies selected by DOH for audit procedures will be required to complete this tab. For that reason, we encourage all agencies to complete this tab.

Please complete the reconciliation table below by:

- Entering the dollar amount in the "Total expenses per CY 2023 Financial Documentation" row which should tie to the total expenses per your Financial Statements.
- Selecting a "reconciling item" from the drop-down menu below. If the item does not fall into one of the pre-populated categories, select the "Other" option.
- Entering a description of the reconciling item.
- Entering the name of the supporting documentation where the reconciling item can be located in the supporting documentation provided, including a tab, column, or page number.
- Entering the dollar amount of the reconciling item in 2023.

If there are multiple reconciling items, please use the "add reconciling item" button to add another row. Once all reconciling items have been entered, the sum of the "Reconciling items included in Financial Documentation, but not in the data reported on Schedule 3" and "Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation" amounts will be subtracted from "Total expenses per CY 2023 Financial Documentation" to calculate the value in the "Total expenses adjusted for reconciling items" row. This calculation shows an adjusted total expense amount which reflects the reconciled expenses.

Please note that the value populated within the "Schedule 3 Total Entity Costs" row is auto-populated from the "Total Entity Cost" amount on Schedules 3a, 3b, and/or 3c in the "Cost Report Schedules" tab. After calculating the "Total expenses adjusted for reconciling items" and "Total entity costs per Schedule 3 of Cost Report Schedules tab", the tool will calculate the variance (in dollars and percent) of the Unreconciled amounts.

For any additional comments or explanations, please enter them in the cell for "Additional Comments."

Financial Statement Reconciliation					
Total expenses per CY 2023 Financial Documentation:			Dollar Value	Supporting Documentation File Location	
			0		
Reconciling items included in Financial Documentation, but not in the data reported on Schedule 3:					
Item Number	Reconciling Item	Description of Reconciling Item	Supporting Documentation File Location	2023 Dollar Value	Additional Comments
Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation:					
Item Number	Reconciling Item	Description of Reconciling Item	Supporting Documentation File Location	2023 Dollar Value	Additional Comments
Sum of reconciling items included in Financial Documentation, but not in the data reported on Schedule 3				\$0	
Sum of reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation				\$0	

Tasks to complete prior to audit procedures (continued)

4. Enter contact information

- In the **“Contact Information” tab** of the Web-based Tool, enter the contact information for all individuals responsible for making audit-related decisions and responding to inquiries.
 - These individuals may be the same people who are listed in the Reporting Hierarchy section, but please be sure to include all individuals from the agency who will be involved in the audit process.
- **Note:** The individuals entered in the “Contact Information” tab will receive email notifications whenever an inquiry or comment is posted within the Tool. Therefore, it is critical that all the individuals who will be responsible for responding to the audit team inquiries are listed in this tab.

“Contact Information” tab:

Team Contacts
If you have any questions or concerns regarding the tool, Requested Documents, Questionnaire, or the timeline, please contact the KPMG DOH Team at us-advisknyshc@kpmg.com

Test Organization Contacts

+

KPMG Contacts

+

DOH Contacts

+

Communications

Communication information

Audit Kickoff:

- Upon commencement of the audit, you will receive an introduction communication from the audit team assigned to your agency.
- Once this communication is received, you will be able to reach out to the audit team via email with any questions about getting started with the process.

Communication methods:

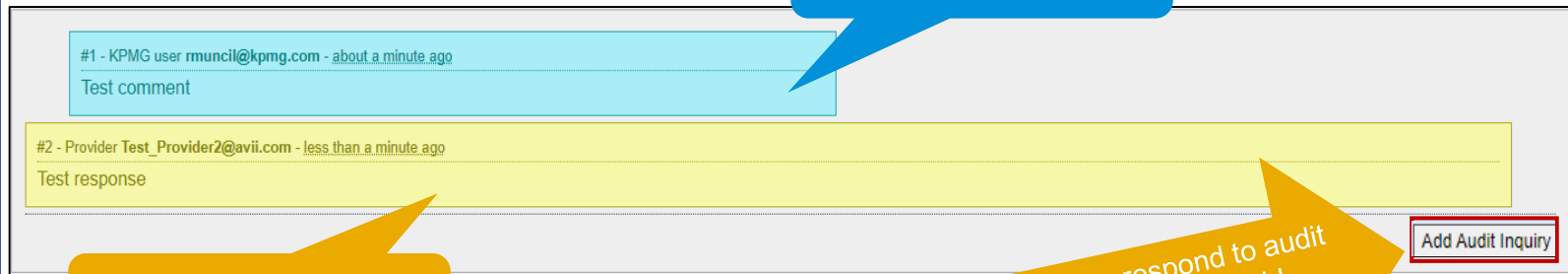
- Once the audits begin, the majority of communications will be conducted within the Web-based Tool.
- Specifically, communications between the agency and audit team will occur within the “**Audit/Questions” tab within each subtab or audit area listed below**. This tab comprises the following subtabs:
 1. Documentation requests follow-up
 2. General questionnaire follow-up
 3. Financial statement follow-up
 4. Direct care follow-up
 5. Program administration follow-up
 6. Service statistics follow-up
 7. Medicaid Revenue follow-up
 8. Field Audit Procedures (only used when applicable)
 9. Potential findings (only used when applicable)

Communications

Communication information

Communication methods:

- Communications are completed through posting comments within each subtab of the **“Audit/Questions” tab**, as shown in the example below.
- This creates an audit trail of agency-specific questions for each audit area for easy reference throughout the audit by the agency, audit team, or DOH.



In the next section, we will walk through the subtabs that represent each each audit area where procedures are conducted to clarify when and why the audit team would post a follow-up question during the audit.



Web-based Tool: “Audit/Questions” tab

“Audit/Questions” tab

“Audit/Questions” tab

— There are **nine subtabs** in the “Audit/Questions” tab where audit procedures will be conducted by the audit team.

The screenshot displays the 'Audit/Questions' tab interface. At the top, a navigation bar contains various subtabs: Instructions, Frequently Asked Questions (FAQ), Reporting Hierarchy, Cost Report Schedules, Financial Reconciliation, General Questionnaire, Cost Report Submission, Budgeted Cost Report Schedules, Budgeted Cost Report Submission, Documentation Requests, Agency Representation, Extensions, and Adjusted Cost Report Schedules. Below this, a secondary row includes Contact Information, **Audit / Questions** (highlighted with a red box), Data Representation, Engagement Status, Provider Questions, and Reporting.

The main content area is titled 'Audit/Questions' and features a left-hand navigation menu with the following subtabs: Sign-off Summary, Documentation Requests Follow-up, General Questionnaire Follow-up, Financial Statement Follow-up, Direct Care Follow-up, Program Administration Follow-up, Service Statistics Follow-up, Medicaid Revenue Follow-up, Field Audit Procedures, Previous Findings Follow-up, and Potential Findings. The 'Audit / Questions' subtab is highlighted with a red box.

The main content area is divided into two sections. The top section is titled 'Follow Up Questions' and includes a 'Page is locked' checkbox and an 'Add Question...' button. Below this, there are dropdown menus for 'Manager Sign-off' and 'Senior Sign-off', both set to '-- Choose an item --'. The bottom section is titled 'IFC Item Summary' and 'Question:'. It displays the following information:

- IFC Number: 19
- Last updated: 8/9/2023
- Created: 8/9/2023
- Status: Open
- Requested By: KPMG
- Location: Question G.5
- Question: G.5
- Text: For the 2022 cost report year and for the 12 months prior, were there any fraud investigations performed on your agency?
- Response: Yes, the fraud investigation(s) noted below were performed on our agency.
- Text: If yes, in the text box below please provide a summary of the results, as well as soft copies of the draft or final report(s).
- Text: test

Below the question entry, there is an 'Actions' section with three checkboxes: 'Viewable by Provider', 'Viewable by Department', and 'Question Resolved'. At the bottom, there is a 'KPMG Comments/Conclusions' field and an 'Add Comment...' button.



1. Documentation Requests Follow-up

1. “Documentation Requests Follow-up” subtab

- The “Documentation Requests Follow-up” subtab is the location where audit teams can add requests for missing and/or additional documentation.
- Agencies should submit all requested documentation to the SFTP site within the requested timeframe of three business days once requested.

Audit/Questions

Documentation Requests Follow-up

Please upload all requested documents to the SFTP site by clicking on the "Log In to the SFTP Site" button. Please refer to the SFTP site section within the Questionnaire & Data Input tab for additional guidance on using the SFTP site. [SFTP Site](#)

IFC Item Summary	Documentation request:
IFC Number: 1 Last updated: 9/13/2023 Created: 9/7/2023 Status: Open Requested By: KPMG	We do not see the following documentation: <input type="text"/> <input type="button" value="Add Comment..."/>



2. General Questionnaire Follow-up

2. “General Questionnaire Follow-up” subtab

Background and purpose

- In the “General Questionnaire Follow-up” subtab, the audit team will review the responses provided in the “General Questionnaire” tab.
- Follow-up questions from audit teams will be related to the questions flagged in the “General Questionnaire Follow-up” subtab.
- Any audit inquiries related to General Questionnaire responses will be posted directly in the “General Questionnaire Follow-up” subtab as shown in the image below (blue comment box). Agencies can respond directly in the tab by adding a comment (as shown below).

IFC Item Summary | **Question:**

IFC Number: 2
Last updated: 9/6/2023
Created: 8/15/2023
Status: Open
Requested By: KPMG

Location: Question

Question: G.2
Does your agency have any affiliate or parent agencies for which you submitted a separate Home Care Cost Report?
If yes, please complete the chart below related to the affiliate agency (or agencies) for which you submitted a separate cost report.

No

Affiliate Agency Name	Affiliate Agency Federal Tax ID	Entity types that affiliate operates	Actions
No applicable data			

#1 - KPMG user rmuncil@kpmg.com - 9 minutes ago
Test Audit Inquiry

Add Comment...

Agency can respond to the audit team follow-up question by selecting “Add Comment”

Add Comment...

3. Financial Statement Follow-up

3. "Financial Statement Follow-up" subtab

Background and purpose

- In the "Financial Statement Follow-up" subtab, the audit team will review the total costs reported on Schedule 3 (summation of Column 001 [Total Entity Costs]) for each entity type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the data reported in the cost report and information identified in the supporting documentation and the "Financial Reconciliation" tab.
- Communication between the audit team will occur directly in the "Financial Statement Follow-up" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 3 Costs and Financial Statements requiring follow-up:

5.1.3 Using the agency's supporting documentation, identify the total entity costs for each entity type that the agency operates and enter the value(s) in the "Total entity cost per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or \$1,000.

CHHA Total Entity Costs	
Total Entity Costs Per Cost Report	1,114,000.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="1,200,000.00"/>
Variance %	7.72 %
Variance (Dollars)	86,000.00
LHCSA Total Entity Costs	
Total Entity Costs Per Cost Report	2,093,926.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="2,012,000.00"/>
Variance %	-3.91 %
Variance (Dollars)	-81,926.00
FI Total Entity Costs	
Total Entity Costs Per Cost Report	1,360,933.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="1,354,000.00"/>
Variance %	-0.51 %
Variance (Dollars)	-6,933.00

4. Direct Care Follow-up

4. "Direct Care Follow-up" subtab

Background and purpose

- In the "Direct Care Follow-up" subtab, the audit team will review the direct care costs reported in the following columns of Schedule 3 for each provider type (CHHA, LHCSA, and/or FI):
 - Program Aide (Direct Care)
 - Program RN Supervision/Assessment (Direct Care)
 - Program Staff Training
 - Transportation
 - Contracted Purchased Services
 - Other
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
 - Reimbursable nature of the information being reported
- Communication between the audit team will occur directly in the "Direct Care Follow-up" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 3 Costs and Supporting Documentation requiring follow-up:

6.1.2
 2 Using the agency's Schedule 3 supporting documentation, identify the direct care Column 006 – 011 totals per the supporting documentation for each entity type that the agency operates, and enter the value(s) in the "Total costs per supporting documentation" row in the table(s) below. Investigate any variances greater than 1% or \$1,000.

CHHA Direct Care Costs (Schedule 3a)						
	Program Aide (Direct Care)	Program RN Supervision/ Assessment (Direct Care)	Program Staff Training	Transportation	Contracted Purchased Services	Other
Total Costs Per Cost Report	607,000.00	0.00	115,000.00	140,000.00	0.00	0.00
Total Costs Per Supporting Documentation	590,000.00	0.00	98,000.00	125,000.00	0.00	0.00
Variance %	-2.80 %	0.00 %	-14.78 %	-10.71 %	0.00 %	0.00 %
Variance (Dollars)	-17,000.00	0.00	-17,000.00	-15,000.00	0.00	0.00



5. Program Administration Follow-up

5. “Program Administration Follow-up” subtab

Background and purpose

- In the “Program Administration Follow-up” subtab, the audit team will review the program administration costs reported in Column 005 (Program Administration) of Schedule 3 and Column 001 (Program Administration) of Schedule 4, for each entity type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
 - Reimbursable nature of the information being reported
 - Alignment between Schedule 3 and Schedule 4 Program Administration columns
- Communication between the audit team will occur directly in the “Program Administration Follow-up” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 4 Costs and Supporting Documentation requiring follow-up:

7.1.2

Using the agency's supporting documentation, identify the total program administration cost value on Schedule 3 (Column 005) and Schedule 4 (Column 001) for each entity type that the agency operates, and enter the value(s) in the “Total costs per supporting documentation” row in the table(s) below. Investigate any variances greater than 1% or \$1,000.

CHHA Program Administration Costs			
	Program Administration (Schedule 3a)	Program Administration (Schedule 4a)	Variance between Schedule 3 and 4 Program Administration total
Total Costs Per Cost Report	0.00	10.00	-10.00
Total Costs Per Supporting Documentation	110	9	101.00
Variance %	100.00 %	-10.00 %	
Variance (Dollars)	110.00	-1.00	



6. Service Statistics Follow-up

6. "Service Statistics Follow-up" subtab

Background and purpose

- In the "Service Statistics Follow-up" subtab, the audit team will review the service statistics reported in each service type row on Schedule 5, for each entity type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
 - Reimbursable nature of the information being reported
- Communication between the audit team will occur directly in the "Service Statistics Follow-up" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 5 Statistics and Supporting Documentation requiring follow-up:

8.1.2
Using the agency's supporting documentation, identify the total visits/hours for each entity type and service type, and enter the value(s) in the "Total visits/hours per supporting documentation" column in the table(s) below. Investigate any variances greater than 1% or 1,000 units.

CHHA Pediatric Service Statistics (Schedule 5a.1)				
	Total Visits/Hours Per Cost Report	Total Visits/Hours Per Supporting Documentation	Variance %	Variance (Dollars)
Home Health Aide	500.00	475.00	-5.00 %	-25.00
Home Health Physical Therapy	200.00	100.00	-50.00 %	-100.00
Home Health Occupational Therapy	0.00	0.00	0.00 %	0.00
Home Health Registered Nurse	10,550.00	9,000.00	-14.69 %	-1,550.00
Home Health Medical Social Services	0.00	0.00	0.00 %	0.00
Home Health Nutrition	0.00	1.00	100.00 %	1.00
Home Health Speech Therapy	50,000.00	43,870.00	-12.26 %	-6,130.00
Home Health Respiratory Therapy	10,000.00	3,219.00	-67.81 %	-6,781.00
Home Social & Environmental Support	0.00	5,000.00	100.00 %	5,000.00
Home Health Sign Language/Oral Interpreter	0.00	0.00	0.00 %	0.00
Nursing Supervision	0.00	0.00	0.00 %	0.00
Nursing Assessment	0.00	0.00	0.00 %	0.00
Other Non-Reimbursable Services	0.00	0.00	0.00 %	0.00
Personal Care Services	0.00	0.00	0.00 %	0.00



7. Medicaid Revenue Follow-up

7. “Medicaid Revenue Follow-up” subtab

Background and purpose

- In the “Medicaid Revenue Follow-up” subtab, the audit team will review the Medicaid Revenue reported for Fee For Service (FFS) and Managed care (MC) on Schedule 19.
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
- Communication between the audit team will occur directly in the “Medicaid Revenue Follow-up” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 19 Revenue and Supporting Documentation requiring follow-up:

9.1.2
Using the agency's supporting documentation, identify the total Medicaid Managed Care and/or Medicaid Fee-for-service revenue amounts, and enter the value(s) in the "Total revenue per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or \$1,000.

Medicaid Revenue (Schedule 19)			
	Medicaid Fee-for-Service Revenue	Medicaid Managed Care Revenue	Total Medicaid Revenue
Total Revenue per Cost Report	1,000,000.00	5,000,000.00	6,000,000.00
Total Revenue Per Supporting Documentation	900,000.00	4,900,000.00	5,432,909.00
Variance %	-10.00 %	-2.00 %	-9.45 %
Variance (Dollars)	-100,000.00	-100,000.00	-567,091.00

[Add Comment...](#)

8. Field Audit Procedures

8. "Field Audit Procedures" subtab

Background and purpose

- In the "Field Audit Procedures" subtab, the audit team will review the sample invoices provided by the agency for information on reported on Schedules 3, 4 and 5.
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between the supporting documentation and the sample invoices
- Communication between the audit team will occur directly in the "Field Audit Procedures" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Administrative Expenses and Supporting Documentation requiring follow-up:

10.1.2
Document the field audit review procedures conducted on administrative expenses

Internal KPMG Comments/Conclusions:

Upon further review of the GL accounts selected and field audit files provided. Team consulted with Agency and Home Care Technical team on 10/31. Team determined that administrative GL accounts comprised of many journal entries of reclass and trued-up amounts for shared expenses across many entities within the Agency. Technical team reviewed file "2022 GL detail IS accounts- only select accts- HAC.xlsx" and determined that reviewing "GL 6900: Depreciation - Office Equipment" total 45,663 will meet field audit of 50% of Depreciation total expenses of 81,635. Team also determined that field audit procedures would be performed on "GL 6400: Rent - Office Rent" total 1,256,142.

KPMG then field audit tested selected GL to tie out the original GL account total line item. KPMG was able to successfully tie '6900 Depreciation - Office Equipment' expense total 45,663 to file "2022 Audit Depreciation Office Equipment -\$45,663.xlsx" tab 'Pivot 1-by period'. This tab pivots directly from 'Details View' to column M without exception. KPMG was not able to successfully tie 'GL 6400: Rent - Office Rent' total 1,256,142. KPMG reviewed all leases provided "Forest Hills - rider to lease_1- 7000 Austin - \$46,075.20 rent.pdf", "1819 East 13th Street (basement).pdf", "1819 East 13th Street Lease Agreement AMK II Realty 2nd Floor - Brooklyn Lease.pdf", "3237 Route 112 Medford NY Lease 12012020a.pdf", and "7000 Austin St.pdf" and could not tie out the total GL Rent expense. KPMG notes Agency has the following additional lease locations outside of the leases reviewed: Hempstead - NY, Bronx - NY (3rd. Ave.), Dallas - TX (LBJ FWY). Note finding below.

WP Ref.	PA 307
Related Finding	11
Senior Sign-off	Olivia Wade
Staff Sign-off	Danny Rojas

Add Comment...



9. Previous Findings Follow-up

9. Previous Findings Follow-up

Background and purpose

- In the “Previous Findings Follow-Up” subtab, the audit team will perform a review of past cost report audit findings for agencies that were audited in 2019, 2020, 2021, or 2022 cost report years.
- Follow-up questions from audit teams may be related to the following:
 - Whether a previous finding is still applicable
 - Whether issues identified during past audits have been addressed and corrected or are in the process of being corrected

Example of a previous finding follow-up:

Previous Findings

Manager Sign-off: Karen Bushnell 12/18/2023 Page is locked

Senior Sign-off: Rachel Tremain 12/18/2023

2021 Findings

Senior Sign-off: Rachel Tremain 12/18/2023

Staff Sign-off: Quaneisha Washington 12/12/2023

Audited in 2021? Yes

Finding	Subfinding	Location
1. Observation/areas for improvement: Throughout the Home Care Cost Report audit, items have been noted that can serve as lessons learned to improve future year reporting.	q. An immaterial error was identified on the cost report; however, an adjustment was not executed to correct it during the audit process due to the inconsequential impact to rate-setting. This observation is being noted to help educate the agency on how to properly report this item in future cost report years. The specific details of this error are explained in the 'Finding Notes/Comments' section.	Direct Care Follow-up - LHCSA



Cost Report adjustments

Adjustments

As a result of the audit procedures conducted in each of the subtabs within the “Audit/Questions” tab, the audit team may identify error(s), and adjustment(s) to the cost report may be necessary to correct the error(s).

— Adjustments will be handled in one of the following two ways:

1. Complex, multicell and/or multischedule adjustments are needed

- If review procedures are conducted and it is determined that there are errors in the way information was reported that would lead to multiple adjustments across several column/rows/schedules, the audit team will request that the agency make adjustments to the cost report.
- In this situation, the audit team will send a detailed adjustment communication to the agency outlining the adjustments to be made. The audit team will also set up a conference call or meeting with the agency to walk through the communication and requested adjustments.
- **The agency will then be required to complete and submit the requested adjustments within the “Adjusted Cost Report Schedules” tab of the Tool.** Agencies will have one week upon receipt of the adjustment request to submit the requested adjustments in the Tool.

2. Minor adjustments are needed

- If review procedures are conducted and it is determined that a small adjustment is necessary, the Audit team may make the adjustment directly in the Tool, with the agency’s approval.
- **If adjustments are made during the audit process, the adjusted cost report data will be used for rate setting, not the original data.**
- NOTE: If an adjusted cost report is submitted, the agency will be required to submit the “Data Representation Statement” to certify that all data entered in the “Adjusted Cost Report Schedules” tab and provided in the adjusted supporting documentation is accurate to the best of their knowledge.

Potential Findings

“Potential Findings” subtab

Overview:

- Any potential findings, subfindings, and Performance Improvement Opportunities identified by the audit teams will be listed in the “Potential Findings” subtab.
- Audit **findings** are the result of issues identified during audit procedures, such as:
 - Insufficient supporting documentation
 - Misreporting of reimbursable versus non-reimbursable costs
 - Discrepancies between supporting documentation and the data reported on the cost report
- Each finding has a corresponding **subfinding** that provides a greater level of detail.
- **Performance Improvement Opportunities (PIOs)** do not represent audit findings, but reflect items that KPMG and DOH believe would help educate the Home Care agency and increase reporting compliance in future Home Care Cost Report years.
- Findings will quantify the value of the impact for the identified issue (e.g., \$50,000 worth of non-reimbursable costs were reported as reimbursable costs), whenever possible.
 - This will allow audit teams and agencies to both fully understand the issue so an appropriate adjustment(s) may be made, if necessary.
 - NOTE: Findings may be qualitative if the audit team is unable to quantify the issue with the supporting documentation provided.

Exit Dashboard

Exit Dashboard

- The Exit Dashboard lists all findings, subfindings, and PIOs noted throughout the Audit, along with a detailed description.
- Agencies will be given five business days after receipt of the Exit Dashboard to provide a management response to the findings.
 - If no management response is provided within that timeframe, the final Exit Dashboard will be provided to DOH without a management response.
 - The goal is to have all audit questions resolved *before* the Exit Dashboard is released to the agency for response. As such, please try to resolve any questions regarding findings noted in the **“Potential Findings”** tab during the audit procedures and not during the Exit Dashboard process.

Exit Dashboard - 2019 Data Year as of 11/22/2021

Agency Name	Test Organization 2
Medicaid Tax ID Number	12-123456
Number of Clinical Services	2
Number of LINCSEA Entities	1
Number of PI Entities	1
Back / Field Audit	Desk

This Exit Dashboard (Dashboard) presents the results of the Home Care Cost Report Audit for Report Year 2019 for the agency named above. The audit was conducted on behalf of the State of New York Department of Health (the Department) by KPMG LLP (KPMG). The audit results presented herein are as of the date of this dashboard and include the following information:

- **Summary of Findings and Observations:** Presents findings and/or observations identified during the Home Care Cost Report audit, including the cost report schedule and/or audit tab for which the finding relates, and the specific condition giving rise to the finding. Where applicable, detail is provided related to the adjustments made to the Home Care Cost Report submission as a result of the audit process. In addition, the findings indicate whether or not the necessary adjustments were properly executed.

For each finding noted, the agency has the opportunity to present a Management Response and Corrective Action Plan in the space provided. Please provide a response to each finding and/or observation and submit to KPMG by entering the name and title of the agency representative taking responsibility for the audit on behalf of the agency and selecting the "submit" button at the bottom of this page. This individual should be the person with overall responsibility for the Home Care Cost Report audit on behalf of the agency and is not necessarily the person who completed the Home Care Cost Report submission; it is strongly recommended that this individual be the agency's CEO, CFO, VP of Finance, or equivalent. All responses must be submitted within five days of receipt of this dashboard.

All responses provided by management will be included as is in the final version of the Exit Dashboard to be provided to the Department. Any questions or concerns related to the information presented in the Dashboard must be communicated to KPMG by the agency within five business days of the information presented, and any corresponding management response(s), will be considered final. If your agency disagrees with a finding contained within this Exit Dashboard, please notify your audit team immediately so the issue can be addressed and escalated to the Department as required. Should these findings change based on final review by the Department or KPMG, the agency will be notified.

Before providing a Management Response and Corrective Action Plan, please read the below excerpt from Public Health Law §3612(b) and Social Services Law §365-f(4)-a:

- Public Health Law §3612(b): "The commissioner may require a health home or licensed home care services agency to report on the costs incurred by the health home or licensed home care services agency in rendering health care services to Medicaid beneficiaries. The department of health may specify the frequency and format of such reports, determine the type and amount of information to be submitted, and require the submission of supporting documentation."
- Social Services Law §365-f(4)-a: "The commissioner may require a fiscal intermediary to report on the direct care and administrative costs of personal assistance services as accounted for by the fiscal intermediary. The department may specify the frequency and format of such reports, determine the type and amount of information to be submitted, and require the submission of supporting documentation."

Procedures performed did not constitute an audit of financial statements in accordance with Government Auditing Standards or U.S. Generally Accepted Auditing Standards. KPMG was not engaged to, and did not, render an opinion on the agency's internal controls over financial reporting or over financial management systems. The results of the audit procedures performed will be described in a single, statewide report to the Department; a standalone agency-specific report will not be issued as part of this audit.

On behalf of the Department and KPMG, we thank you for your continued support and commitment. If you have any questions, please contact your KPMG engagement team via phone or by email.

Summary of Findings:

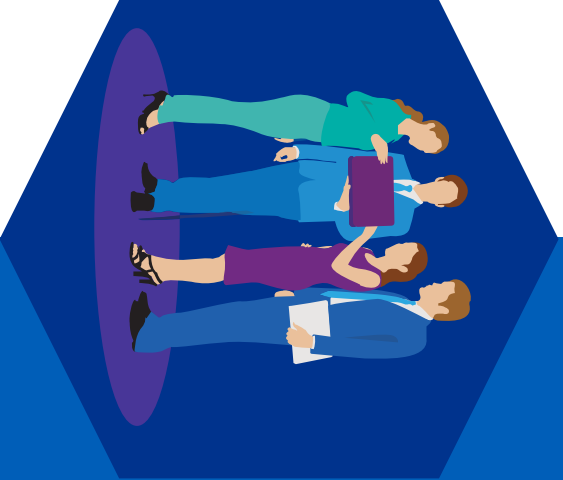
Finding	Subfinding	Comments	Location	Agreement	Management Response
12. Improper reporting of Service Statistics: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. The 2019 Home Care Cost Report instructions provide guidance for the correct Service Statistics reporting methodology.	c. An adjustment to the cost report was required as a result of the agency reporting PI units of service in the incorrect service type category (Schedule C). The adjustment was properly executed during audit procedures.	KPMG Finding Note	Document Request/Commentation Request language	No Answer Yet	<input type="text"/>



What if I am
selected for field
audit procedures?

Field audit procedures

- A portion of the agencies undergoing standard 2023 desk audit procedures will be selected by DOH for additional “field” audit procedures.
 - If your agency used the DOH-approved supporting documentation template, you will not be subject to field audit procedures in 2023.
- Field audit procedures include a more in-depth set of audit procedures that will be completed in addition to the standard “desk” audit procedures. These procedures will require the agency to provide additional Information and documentation to the audit team for review.
 - Note that “field audit” does not imply that we will be physically going to the agency site. We expect all Field audit procedures to continue to be performed remotely for the 2023 cost report year.
- If your agency is selected for field audit procedures, you will be receiving a communication from your assigned audit team over the coming week.
 - This communication will detail all necessary next steps, including the additional documentation required to be provided for field audit procedures.
 - Note that agencies will have a week after receiving this communication to upload the initial requested documentation to the SFTP site.



Field audit procedures (continued)

- Field audit procedures will be conducted for **administrative expenses (Schedule 4) and service statistics (Schedule 5)**.
- If your agency is selected for audit procedures, you will be asked to provide the additional documentation listed below:
 1. Transaction detail (general ledger detail) from the Trial Balance for the expense accounts that were categorized as “Administration and General” on Schedule 4.
 2. Transaction detail (general ledger detail) for the two capital cost rows (rows 002-003 or 005-007) on Schedule 4, with the largest dollar values reported (greater than \$50,000).
 3. Patient level statistical data reports that were used to complete Schedule 5.
- We encourage all 2023 auditees to begin compiling this documentation so that they are prepared in the event that they are selected for 2023 field audit procedures.

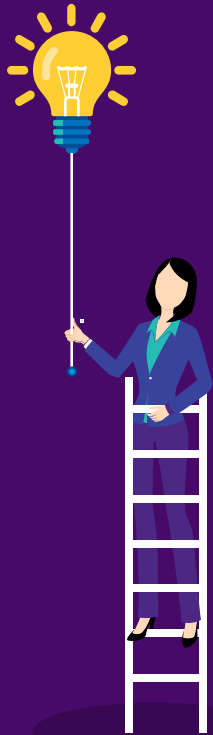




Next steps

Next steps

Next steps



1. If you have not already received this, be on the lookout for an Audit Notification Package from us-advrisknyshc@kpmg.com (only sent to agencies selected for audit).
 - Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all auditees have been notified.
2. Complete the supporting documentation check within the “Documentation Requests” tab of the Web-based Tool.
3. Submit your agency’s representation via the “Agency Representation” tab of the Tool by the date communicated in the Audit Notification Package (further details are also covered in the notification package).
4. If not already done, complete the “Financial Reconciliation” tab of the Web-based Tool.
5. Enter the following contact information in the “Contact Information” tab of the Tool for each individual involved in the 2023 audit:
 - Individual’s first and last name
 - Title
 - Phone number
 - Email
6. Please be on the lookout for an introduction communication from your assigned audit team.
7. Please be on the lookout for an email confirming whether your agency has been selected for **field** audit procedures over the next week and prepare the additional files accordingly.
8. Respond to inquiries from the audit team throughout the duration of the audit.
9. Send any general questions related to the audit to us-advrisknyshc@kpmg.com. Audit-specific communication should be conducted within the Tool in the “Audit/Questions” tab or via email directly with your assigned auditors.



Q&A Period



Thank you



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