



# 2024 Home Care Cost Report Audit Kickoff



Date: September 15, 2025

# Outreach session protocols

## Protocols

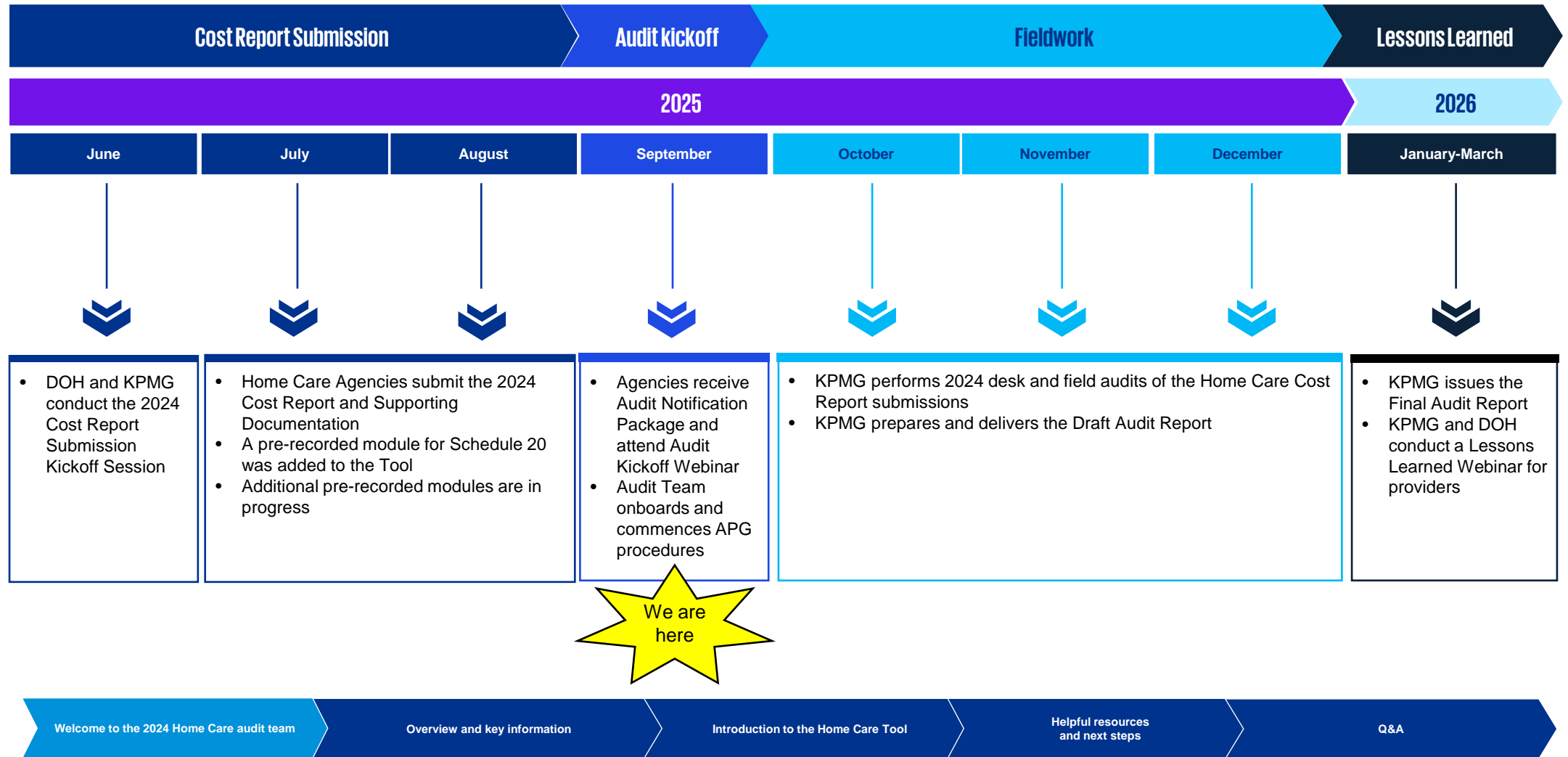


- Please note that participants will be on mute for the duration of the session.
- If you have questions during the presentation, please enter them using the chat feature in Microsoft Teams during the designated question periods throughout the presentation. The New York State Department of Health (DOH or the Department) 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
	<b>Total Time:</b>	<b>60 minutes</b>

# 2024 Cost Report Timeline



# Auditee selection

## Items to note

- The Department of Health selected Home Care agencies for audit for the 2024 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](mailto: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 2025 to December 2025.



# 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 2024 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

# 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.
		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.
		Complete the “Documentation Requests” tab by marking all documentation that was provided to the Secure File Transfer Protocol (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.
II. Fieldwork	— Desk audit procedures	Help resolve any reporting data issues.
	— Field audit procedures (if applicable)	Provide supporting documentation as requested by assigned auditors.
		Provide additional supporting documentation required for field audit procedures, if applicable.
	— Adjustments (if applicable)	Respond to questions presented by audit team.
		<b>Execute the required adjustments within the “Adjusted Cost Report Schedules” tab of the Tool if errors are identified during the Audit.</b>

# Key phases of the audit (continued)



Phase	Key milestones	Associated agency activities
III. Closeout	<ul style="list-style-type: none"> <li data-bbox="817 332 1169 504">– Review and agree/disagree to Findings within the “Potential Findings” subtab (if applicable)</li> <li data-bbox="817 518 1169 618">– Management response (if applicable)</li> <li data-bbox="817 632 1169 689">– Final Exit Dashboard</li> </ul>	<p data-bbox="1192 332 2196 432">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.</p> <p data-bbox="1192 475 2196 646">All agencies subject to audit must reconfirm representation in the “Agency’s Audit Representation” tab of the Home Care Tool as part of the closeout procedures, regardless of whether any adjustments were submitted. This step should be completed when reviewing Potential Findings.</p> <p data-bbox="1192 661 2196 761">Review and provide management response on each finding and/or Performance Improvement Opportunities (PIOs) on the Exit Dashboard, if applicable.</p> <p data-bbox="1192 803 2196 875">Sign off in the “Dashboard Signoff” section to finalize the Exit Dashboard.</p>

# 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 seven (7) business days of the cost report submission.
- Throughout the audit process, your KPMG audit team will follow up with your agency to request clarification or explanations for certain items or to request additional documentation.
  - Agencies are expected to provide the requested information within **three (3) business days of the audit team's request**.
  - All additional supporting documentation should be uploaded via the SFTP site.
    - A new step-by-step guide, the Secure File Transfer Protocol Guide for Providers, was developed and published to help providers successfully log into the SFTP site and complete secure file uploads.

### 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 becomes 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 (3) business days, a finding will be documented and shared with DOH.
- NOTE: The data reported on the 2024 Home Care Cost Report, specifically on Schedules 3, 4, 5, and 7, will be used to set 2026 Medicaid reimbursement rates.
  - If adjustments are made throughout the audit process, DOH will use the adjusted (corrected) 2024 cost report data for 2026 rates.

Reminder...

# Tasks to complete prior to audit procedures



## Three tasks to complete

If you have not already done so, please complete these three tasks that 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. 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.



3. 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 2024 Cost Report, there are a series of questions within each cost report schedule that must be answered (Schedule-Specific Questionnaire). Two of these questions relate 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.

**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	<input type="button" value="Edit"/> <input type="button" value="Delete"/>

# 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 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:

File Name	Actions
Schedule 3a	Edit Delete

Document name entered in each Schedule tab flows into Document Request tab

### “Documentation Requests” tab:

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

# Tasks to complete prior to audit procedures (continued)

## 2. 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:

Financial Statement Reconciliation						
Total expenses per CY 2023 Financial Documentation:				Dollar Value	Supporting Documentation File Location	
				146949871	2023 Schedule 17, 18, 19, 3, 4	
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		
Total expenses adjusted for reconciling items				\$146,949,871		
Total entity costs per Schedule 3 of Cost Report Schedules tab				\$146,949,883		
Unreconciled dollar value				\$(12)		
Unreconciled percentage				-0.00 %		

# Tasks to complete prior to audit procedures (continued)

## 3. 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. Additionally, the KPMG audit team will be listed in this tab as well.

### “Contact Information” tab:

The screenshot displays the 'Team Contacts' section of the web-based tool. At the top, it says 'Team Contacts' and provides a contact email: '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.' Below this, there are three distinct sections, each with a blue header bar and a plus sign button on the left side:

- Test Organization Contacts**: The top section, currently empty.
- KPMG Contacts**: The middle section, currently empty.
- DOH Contacts**: The bottom section, currently empty.

# 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 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. However, we will continue to send email notifications and schedule calls as needed.
- 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. Limited, Alternative Procedures (only used when applicable)
10. Previous Findings Follow-up
11. 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 and becomes an easy reference throughout the audit for the agency, audit team, or DOH.

The screenshot displays a communication interface with two entries. The first entry, highlighted in light blue, is labeled "#1 - KPMG user rmuncil@kpmg.com - about a minute ago" and contains the text "Test comment". A blue callout bubble points to this entry with the text "Audit team inquiries will appear in blue." The second entry, highlighted in light yellow, is labeled "#2 - Provider Test\_Provider2@avii.com - less than a minute ago" and contains the text "Test response". A yellow callout bubble points to this entry with the text "Agency responses will appear in yellow." At the bottom right of the interface, there is a button labeled "Add Audit Inquiry" with a red border. A yellow callout bubble with an arrow points to this button with the text "Agencies can respond to audit inquiries by using the 'Add Audit Inquiry' button."

**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 11 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, there is a navigation bar with 11 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. The 'Audit / Questions' subtab is highlighted with a red box.

Below the navigation bar, the 'Audit/Questions' section is visible. It includes a 'Sign-off Summary' and a 'Follow Up Questions' section. The 'Follow Up Questions' section contains a 'Manager Sign-off' and a 'Senior Sign-off' dropdown menu, both set to '-- Choose an item --'. There is also a checkbox for 'Page is locked' and an 'Add Question...' button.

The main content area shows an 'IFC Item Summary' for 'Question: G.5'. The summary includes the following details:

- IFC Number: 19
- Last updated: 8/9/2023
- Created: 8/9/2023
- Status: Open
- Requested By: KPMG

The 'Question:' section contains the text: 'Question: G.5 For the 2022 cost report year and for the 12 months prior, were there any fraud investigations performed on your agency?' Below this, there is a text box with the response: 'Yes, the fraud investigation(s) noted below were performed on our agency. 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). test'. There is an 'Add Comment...' button at the bottom right of the question area.



# 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 (3) business days once requested.

**Audit/Questions**

- Documentation Requests Follow-up**
- General Questionnaire Follow-up
- Financial Statement Follow-up
- Direct Care Follow-up
- Program Administration Follow-up
- Service Statistics Follow-up

### 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"/> File name: <input type="text"/>

[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).

#### Example of an inquiry posted by the audit team in the “General Questionnaire Follow-up” Subtab:

The screenshot displays the 'General Questionnaire Follow-up' subtab interface. On the left, under 'IFC Item Summary', the following details are shown: IFC Number: 2, Last updated: 9/6/2023, Created: 8/15/2023, Status: Open, and Requested By: KPMG. The main area is titled 'Question:' and contains the text: 'Question: G.2', 'Does your agency have any affiliate or parent agencies for which you submitted a separate Home Care Cost Report?', and 'If yes, please complete the chart below related to the affiliate agency (or agencies) for which you submitted a separate cost report.' Below this is a table with the following structure:

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

A blue comment box at the bottom of the question area contains the text: '#1 - KPMG user rmuncil@kpmg.com - 9 minutes ago' and 'Test Audit Inquiry'. A red callout box on the right side of the screenshot points to an 'Add Comment...' button at the bottom right of the interface, with the text: 'Agency can respond to the audit team follow-up question by selecting “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 (sum 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/or 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	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	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	1,354,000.00
Variance %	-0.51 %
Variance (Dollars)	-6,933.00
Add Comment...	

# 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):
  - Column 006 – Program Aide (Direct Care)
  - Column 007 – Program RN Supervision/Assessment (Direct Care)
  - Column 008 – Program Staff Training
  - Column 009 – Transportation
  - Column 010 – Contracted Purchased Services
  - Column 011 – 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 3%.

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 3 and 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
<b>Variance %</b>	<b>100.00 %</b>	<b>-10.00 %</b>	
<b>Variance (Dollars)</b>	<b>110.00</b>	<b>-1.00</b>	



# 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

# 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 support 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 support
- 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 Sample Supporting requiring follow-up:

Category	Sample Number	Sample Selection File Name Reference	Sample Selection Excel row	Receipt Yes/No?	Pass Yes/No?	Sampling Comments
Source documentation to support the Cost Report:						
Administrative "A&G" expenses (row 012 on Schedule 4)	1	"Legal & Profesional Fees.xlsx"	Row 8	Y	Y	
	2	"Legal & Profesional Fees.xlsx"	Row 9	Y	Y	
	3	"Legal & Profesional Fees.xlsx"	Row 10	Y	Y	
	4	"Legal & Profesional Fees.xlsx"	Row 15	Y	Y	
	5	"Legal & Profesional Fees.xlsx"	Row 17	Y	Y	
	6	"Payroll Processing Fees.xlsx"	Row 19	Y	Y	
	7	"Payroll Processing Fees.xlsx"	Row 26	Y	Y	
	8	"Payroll Processing Fees.xlsx"	Row 38	Y	Y	
	9	"Payroll Processing Fees.xlsx"	Row 64	Y	Y	
	10	"Payroll Processing Fees.xlsx"	Row 83	Y	Y	
Administrative Capital expenses (rows 002-003 or 005-007 on Schedule 4)	11	"Rent Expense.xlsx"	Row 7	Y	Y	
	12	"Rent Expense.xlsx"	Row 10	Y	Y	
	13	"Rent Expense.xlsx"	Row 12	Y	Y	
	14	"Rent Expense.xlsx"	Row 15	Y	Y	
	15	"Rent Expense.xlsx"	Row 17	Y	Y	
	16	"Depreciation Schedule.pdf"	Line 7	Y	Y	
	17	"Depreciation Schedule.pdf"	Line 10	N	N	No Sample provided by agency
	18	"Depreciation Schedule.pdf"	Line 20	Y	Y	
	19	"Depreciation Schedule.pdf"	Line 24	Y	N	Sample does not tie
	20	"Depreciation Schedule.pdf"	Line 25	Y	Y	



# 9. Limited, Alternative Procedures

## 9. “Limited, Alternative Procedures” subtab

### Background and purpose:

- If the audit team determines that the agency provided insufficient supporting documentation and regular audit procedures cannot be conducted as described in the previous slides, a scope limitation will be noted and limited audit procedures will be conducted as an alternative on the agency’s cost report submission. These procedures include a review of the “Cost report schedules” and “General Questionnaire” tabs to identify any potential reporting errors that do not rely on supporting documentation. The goal is to help the agency increase their reporting compliance in the current and subsequent reporting years.

### Example of Limited Alternative Procedures:



# 10. Previous Findings Follow-up

## 10. 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, 2022 or 2023 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:

Finding	Subfinding	Location
4. Insufficient Supporting Documentation related to Direct Care Costs: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. According to Public Health Law §3612(8) and Social Services Law §365-f(4-a), "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."		Direct Care Follow-up - CHHA
Finding Note	Management Response	Organization Agreement
KPMG reviewed file "CHC 2020 TB" tab "2020 TB" to verify that the agency appropriately classified FI expenses as program administration on Schedule 3c and 4c. KPMG notes the below Sales Department expense accounts (totaling \$241,244.77) in tab "2020 TB" were incorrectly classified as program administration costs. Per DOH determination, these costs are non-allowable and should be moved from Column 004 (Program Administration) to Column 002 (Non-allowable): -Sales Department:Mileage Expense- \$34,641.09 (Excel row #142) -Sales Department:Marketing Supplies:Printing- \$4,595 (Excel row #157) -Sales Department:Marketing Supplies:Medicaid Processing- \$166,250 (Excel row #158) -Sales Department:Marketing Supplies:Promotional Items- \$32,938.84 (Excel row #159) -Sales Department:Auto Expense:Fuel- \$2,794.84 (Excel row #165) -Sales Department:Auto Expense:Parking- \$25 (Excel row #166) KPMG also noted that the below costs (totaling \$363,964.50) were incorrectly reported in "Other" Column 010. These are program administration costs and should be moved from Column 010 (Other) to Column 004 (Program Administration). - \$64,643 of "Loan Origination Amortization" cost (Excel row #321) - \$87,556.19 of "Finance Fees: Doral Fees" (Excel row #323) - \$231,765.31 of "Finance Fees: Interest" (Excel row #322) KPMG confirms the agency properly executed these adjustments in the Adjusted Cost Report Schedule 3c and 4c and provided adjusted file "CHC 2020 TB - V2.xlsx.". In this file, the agency appropriately reclassified "Sales Department: Mileage Expense", "Marketing Supplies: Printing", "Marketing Supplies: Medicaid Processing", "Marketing Supplies: Promotional Items", "Auto Expense: Fuel", and "Auto Expense: Parking" to Non-allowable, and "Loan Origination Amortization", "Finance Fees: Doral Fees", and "Finance Fees: Interest" to Program Administration.		No



# 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) that require adjustment(s) to correct the cost report.**

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

### **1. Complex, multicell and/or multischedule adjustments**

- 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 three (3) business days upon receipt of the adjustment request to submit the requested adjustments in the Tool.

### **2. Minor adjustments**

- 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.**

# 11.Potential Findings

## 11.“Potential Findings” subtab

### Overview:

- Any potential findings, subfindings, and PIOs 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.
  - **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 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.

# 11.Potential Findings (continued)

## 11.“Potential Findings” subtab

### Next steps:

- The agencies will have to complete the following tasks within three (3) business days from the date the Potential Finding communication was sent:
  - Review the “Potential Findings” subtab and respond “Yes” or “No” as to whether you agree or disagree with the finding(s). We will reach out to discuss any “No” responses to better understand the disagreement. Once all findings are finalized, your agency will have an opportunity to provide a management response within the Exit Dashboard. We will follow up with additional guidance on this final step once the findings have been confirmed and finalized.
  - The agency will need to review the “Agency’s Audit Representation “ tab within the Tool and provide their sign-off indicating whether they agree or disagree with the assertions listed. They will need to select the “Submit” button when this task is complete.

### “Potential Findings” Subtab:

Content	Actions
<p><b>Potential Findings</b></p> <p>The information below presents the potential findings for the organization. Please indicate whether the provider agrees with the finding and provide additional comments as needed.</p> <p>Public Health Law §3612(8) and Social Services Law §365-f(4-a) state that “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.” These regulations provide DOH with broad authority over the cost report process, and as such will appear in the Exit Dashboard for the agency to read and understand before providing a Management Response and Corrective Action Plan.</p> <p>In addition to the regulations referenced above, we also included references to the 2024 Home Care Cost Report Instructions within each of the applicable Findings to help the agency and DOH understand what is driving the Finding(s).</p> <p>Financial Statement Follow-up</p> <p>Potential Finding: 9. Improper reporting of Service Statistics: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. The Home Care Cost Report Instructions provide guidance for the correct Service Statistics reporting methodology.</p> <p>Potential Subfinding: Applicable entity types (Adjustment corrected):</p> <p>KPMG Finding Notes: test</p>	<p>Provider agrees with potential finding: <input type="radio"/> Yes <input type="radio"/> No</p>

# 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 (5) 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” tab:

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

Agency Name	Test Organization 2
Federal Tax ID Number	12-123456
Number of Child Services	2
Number of LHCSA Entities	1
Number of PI Entities	1
Desk / 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 at which time 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(3) and Social Services Law §365-f(4-a):

- Public Health Law §3612(3): “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	Comment	Location	Agreement	Management Response
52. 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 S). The adjustment was properly executed during audit procedures.	KPMG Finding Note	Document Request/Documentation 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 2024 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 2024.
  
- 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 2024 cost report year.
  
- If your agency is selected for field audit procedures, you will also be notified about the next steps and additional support required to make make testing selections
  - Note that agencies will have five (5) business days after receiving this communication to upload the initial requested documentation to the SFTP site.

# Field audit procedures (continued)

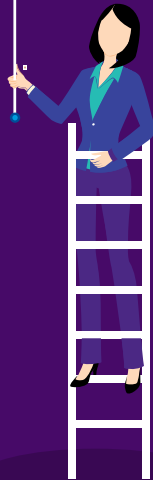


- Field audit procedures will be conducted for **administrative expenses (Schedule 4) and service statistics (Schedule 5)**.
- If your agency is selected for audit procedures, you will be asked to provide the additional documentation listed below:
  1. Transaction detail (general ledger detail) from the Trial Balance for the expense accounts that were categorized as “Administration and General” in row 012 of 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 2024 auditees to begin compiling this documentation so they are prepared if they are selected for 2024 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-advrisknyshe@kpmg.com](mailto:us-advrisknyshe@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. If not already done, complete the “Financial Reconciliation” tab of the Web-based Tool.
4. Enter the following contact information in the “Contact Information” tab of the Tool for each individual involved in the 2024 audit:
  - Individual’s first and last name
  - Title
  - Phone number
  - Email
5. Please be on the lookout for an introduction communication from your assigned audit team.
6. 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.
7. Respond to inquiries from the audit team throughout the duration of the audit.
8. Send any general questions related to the audit to [us-advrisknyshe@kpmg.com](mailto:us-advrisknyshe@kpmg.com). Audit-specific communication should be conducted within the Tool in the “Audit/Questions” tab or via email directly with your assigned auditors.
9. **Final Note:** Providers supporting more than one audit should inform their assigned audit team to help coordinate efforts and streamline communication.

**Q&A**

**Thank you**



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