# Home Care Cost Report – 2024 Lessons Learned Webinar

March 12, 2026

# Webinar 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 matters only.**

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# Agenda

| Topic | Speaker | Time |
|---|---|---|
| Introduction and recap of the 2024 Home Care Cost Report | DOH | 5 minutes |
| Lessons learned | KPMG | 35 minutes |
| Future cost report year updates | KPMG | 10 minutes |
| Closing remarks and next steps | KPMG | 5 minutes |
| Q&A period | DOH/KPMG | 5 minutes |
| | | **Total time: 60 minutes** |

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# Webinar Introduction and recap of the 2024 Home Care Cost Report

# Webinar Introduction and recap of the 2024 Home Care Cost Report

## Introduction

- During today's session, we plan to highlight common issues and errors that were identified throughout the 2024 Home Care Cost Report submission and audit process.
- Our goal is to identify areas of the cost report that may have been unclear during the submission and audit process and clarify how to properly report these items so that providers may increase their compliance in future cost report years.

## 2024 Home Care Cost Report recap

- KPMG and the NYS Department of Health (DOH) conducted a live kickoff webinar in June when the 2024 Cost Report submission period began. Another live webinar was held in September ahead of the audits. Based on provider feedback, several webinars were pre-recorded in lieu of additional live webinars and posted to the web-based tool (the Tool). These pre-recorded webinars are topic-specific and allow providers the ability to access content as needed during their cost report submission.
- The 2024 Home Care Cost Report submissions were due on August 29, 2025. DOH reviewed the submitted cost reports and selected a sample of agencies for audit.
- KPMG conducted audit procedures from September 15, 2025 through December 22, 2025.
- We would like to thank all the providers who participated in the live webinar sessions, cost report submission, and audit process for the 2024 Cost Report year. DOH and KPMG recognize that many providers demonstrated an eagerness to learn and showed significant improvement throughout the audit process.

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# Webinar Introduction and recap of the 2024 Home Care cost report (continued)

## Provider resources and materials

- DOH and KPMG made the following resources available in the Instructions tab of the Tool to support providers in completing their cost report submission:
  - **Cost report Instructions** (both in the Instructions tab drop-downs and as a PDF download).
    - DOH updated the 2024 Home Care Cost Report Instructions to add more detail based on feedback from the 2023 Cost Report year. Some examples included updated reporting guidance on the areas of the cost report with high volumes of reporting errors, how to allocate nonbillable costs, more clarification on how to report certain program administration costs, and the addition of the WR&R flowchart.
  - **PDF presentations and recordings of the 2019 through 2024 cost report year outreach sessions,** including the 2019 through 2023 Lessons Learned and the 2019 through 2024 Kickoff webinars.
  - **Frequently Asked Questions (FAQ)** List of frequently asked questions and answers from providers that may help address common questions (both in the Tool tab and available on the DOH website).
  - **Supporting documentation template** to help agencies prepare their required supporting documentation.
  - **Excel template of the cost report schedules** (for reference; not submission).
  - **Information buttons** throughout the Tool to provide helpful reporting links and guidance on specific items.
  - **Automatic Tool Checks** triggered by errors made when completing the Cost Report.
  - **Calculations** that compute the cost per unit (CPU) in Schedule 5 and the YoY % change for each service type.



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# Webinar Introduction and recap of the 2024 Home Care cost report (continued)

## Provider resources and materials (continued)

- Most materials are also posted to the DOH website: https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/.
  - Additionally, DOH and KPMG reviewed the Q&A and chat questions from the 2024 outreach sessions and created FAQ documents, which are also available on the DOH website.

## Impact of 2024 cost report

- The 2024 cost report data is expected to be used by DOH to set the 2026 Medicaid reimbursement rates.

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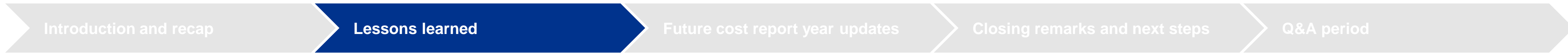
# Lessons learned

# Lessons learned summary



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# Lessons learned: Supporting documentation

# Supporting documentation

## Common errors

- There were several instances during the 2024 audit where the **supporting documentation provided was not sufficient to allow audit teams to reconcile the information reported on the cost report or determine completeness or accuracy of the data.**
- Some errors included providing hard-coded Excel files (no formula links), not providing clear explanations/crosswalks for how the cost report numbers tied back to supporting documentation (e.g., general ledger, trial balance, and statistical reports), and/or providing multiple separate files that were not linked together where methodology could not be easily followed.
- There were also many instances where agencies submitted their cost reports and/or supporting documentation past the deadlines set by DOH.

## Lessons learned

- Agencies should provide supporting documentation that clearly verifies the completeness and accuracy of the data submitted in the cost report. Helpful tips include:
  - Use formulas to link tabs within Excel files.
  - Demonstrate underlying calculations for the data, including any reconciliations or crosswalks for information on the cost report that do not tie directly to the supporting documentation (e.g., financial statement reconciliation).
  - Provide credible third-party supporting documentation to validate the cost report and Excel files (e.g., trial balance, system-generated statistical reports, audited financial statements, etc.).
  - Avoid submitting handwritten or hard-coded/PDF documentation. This data is difficult to decipher and reconcile.
- DOH recommends that providers leverage the supporting documentation template when compiling their support for the 2024 cost report.
- Sufficient supporting documentation requires clear, formula driven Excel files showing how each cost report input number was categorized and allocated from system generated source documentation (trial balance, payroll registers, statistical reports, etc.) to the applicable cost report schedules.
  - Schedule 3, 4, and 19 should be derived directly from the trial balance.
  - Schedule 5 should be directly derived from billing or statistical tracking systems utilized.
- Agencies should plan accordingly with their internal teams and/or any vendors hired to assist with the cost report process to help ensure that the cost report and supporting documentation files are submitted timely and in accordance with the format outlined by DOH.
- **Cost reports that are not submitted with sufficient support can lead to an inaccurate Medicaid rate calculation. As such, it is important that agencies submit their cost reports with complete and accurate support.**

### Useful Links

**2024 Links**

- Secure File Transfer Protocol Guide for Providers
- 2024 Home Care Cost Report Outreach Program
- 2024 Home Care Cost Report Instructions

**Supporting Documentation Templates**

- 2024 Home Care Cost Report Supporting Documentation Template
- Cost Report Policy and Procedure Template
- LHCSA Supporting Documentation Template
- CHHA Supporting Documentation Template
- FI Supporting Documentation Template
- CHHA R&R/RT&R revenue estimation template
- LHCSA WR&R revenue estimation template
- FI WR&R revenue estimation template
- Home Care Supporting Documentation Template

# Schedule 3 and 4 – Insufficient Supporting Documentation for Allocations

| Common errors | Lessons learned |
|---|---|

**Common errors**

- Some agencies **did not provide sufficient supporting documentation to substantiate reported costs and allocation methodologies.** In some cases, documentation did not clearly tie to the amounts reported in the cost report or did not demonstrate how allocation percentages were derived. This made it difficult for audit teams to conclude on the accuracy of the information reported in the cost report.

**Lessons learned**

- Agencies should provide clear supporting documentation that:
  - Reconciles to the amounts reported in the cost report
  - Demonstrates how allocation percentages were calculated
  - Includes formulas and supporting schedules used in the allocation process
  - Can be readily provided during audit review
- **For additional guidance on allocation methodologies, providers should refer to the "Pre-recorded webinars" section of the Useful Links within the Instructions tab.**

**2024 Top Audit Finding**

**This image illustrates a recommended practice for documenting an acceptable allocation methodology, showing how costs were allocated to each county and service based on the number of hours incurred by that county, for that service.**

**Supporting Documentation: Allocation Methodology**

SUM | =B4/$E$9

| | A | B | C | D | E |
|---|---|---|---|---|---|
| 1 | **County Allocation Percentages** | | | | |
| | Summary of Hours (from system generated support) | | | | |
| 2 | | | | | |
| 3 | | County #1 | County #2 | County #3 | Total |
| 4 | PC: Level I | 2,200.00 | 990.00 | 910.00 | 4,100.00 |
| 5 | PC: Level II | 5,070.00 | 1,820.00 | 1,580.00 | 8,470.00 |
| 6 | Live-In | 3,250.00 | 650.00 | 780.00 | 4,680.00 |
| 7 | Nursing Supervision | 575.00 | 175.00 | - | 750.00 |
| 8 | NHTD (Non-reimbursable) | 750.00 | 600.00 | - | 1,350.00 |
| 9 | Total | **11,845.00** | **4,235.00** | **3,270.00** | **19,350.00** |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | Allocation Percentages | County #1 | County #2 | County #3 | Check |
| 14 | PC: Level I | =B4/$E$9 | 5.12% | 4.70% | 21.19% |
| 15 | PC: Level II | 26.20% | 9.41% | 8.17% | 43.77% |
| 16 | Live-In | 16.80% | 3.36% | 4.03% | 24.19% |
| 17 | Nursing Supervision | 2.97% | 0.90% | 0.00% | 3.88% |
| 18 | NHTD (Non-reimbursable) | 3.88% | 3.10% | 0.00% | 6.98% |
| 19 | Total | 61.21% | 21.89% | 16.90% | 100.00% |

# Lessons learned: Cost report schedules

# Reporting costs on Schedules 3 and 4

| Common errors | Lessons learned |
|---|---|

## Common errors

- Some agencies did not correctly report costs on Schedules 3 and 4, making two types of errors:
    - (1) **miscategorizing costs** – correct costs were reported but in the wrong place in the Schedules; and
    - (2) **reporting incorrect costs** – incorrect costs were reported in the Schedules.

**Examples of Schedules 3 and 4 reporting are included on the following slides.**

Pro-tip!

## Lessons learned

- **Schedule 3 should include the agency's total costs**, including direct care personnel (e.g., personal care aide salary and benefits), administrative personnel (e.g., administrative worker salary and benefits), nonpersonnel (e.g., rent, office supplies, insurance, etc.), and nonreimbursable (e.g., meal expenses and political contributions) costs.
    - The total costs on Schedule 3 should reconcile to the total expenses per the agency's financial statements.
    - **Bad debt expense and out of state expenses should *not* be reported on Schedules 3 or 4 of the cost report as bad debt is an offset to revenue, and out of state expenses are non-NYS costs. These should be omitted from these schedules and reported on the "Financial Reconciliation" tab.**
- **Schedule 4 should only include administrative personnel and Direct Care nonpersonnel costs.**
    - Direct care worker wages and benefits should not appear on Schedule 4.
    - **"Total Entity Costs" amount should be greater on Schedule 3 than on Schedule 4.**
- Costs from the trial balance should first be categorized into 1 of the 11 columns on Schedule 3 and allocated by service type (e.g., Direct Care salary to be reported in the Program Aide column on Schedule 3). They should also be categorized into 1 of the 2 columns on Schedule 4 and allocated by each general service cost center.
- **Expenses relating to Direct Care workers and services should be omitted from Schedule 4 entirely.**
    - **This rule excludes costs related to medical supplies, which should also be reported on Schedule 4, row 014 (CHHA Pediatric, LHCSA, and FI) and 028 (CHHA Episodic), Column 002, in addition to Schedule 3, Column 006.**
    - **This rule excludes costs related to employee physicals and immunizations. These types of costs for both direct care and administrative personnel should be reported as administrative only in Column 005 on Schedules 3 and in Column 001 on Schedule 4.**

# Reporting costs on Schedule 3 step-by-step:

**Step One: Identify all costs on TB or GL and categorize into columns/rows for Schedules 3 and 4**

**Supporting Documentation: Trial Balance**

| 700 Wages | 4,551,024.00 | Categorization (Schedule 3 column) | Categorization (Schedule 4 column) |
|---|---|---|---|
| Salary RN | 1,440,750.00 | 006 | N/A |
| Physical Therapy Assistant | 93,750.00 | 006 | N/A |
| Licensed Practical Nurse | 250,000.00 | 006 | N/A |
| Salary PT | 1,016,021.00 | 006 | N/A |
| Salary ST | 31,700.00 | 006 | N/A |
| Salary OT | 555,637.00 | 006 | N/A |
| Salary HHA | 28,666.00 | 006 | N/A |
| Salary Nutritionist | 3,500.00 | 006 | N/A |
| Salary Adm | 963,000.00 | 005 | 001 |
| Salary Clerical | 140,000.00 | 005 | 001 |
| Salary Maintenance | 20,000.00 | 005 | 001 |
| Vacation RN | 7,000.00 | 006 | N/A |
| Vacation LPN | 1,000.00 | 006 | N/A |

**Schedule 3**

| LHCSA Name | | Abc | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Dutchess | | | | | | | | | | |
| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 004 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care | | | | | | | | | | | | |
| PC: Level I | 001 | 902,411.25 | 0.00 | 0.00 | 902,411.25 | 222,676.88 | 679,734.37 | | 0.00 | 0.00 | 0.00 | 0.00 |
| PC: Level II | 002 | 2,079,647.75 | 0.00 | 0.00 | 2,079,647.75 | 513,169.00 | 1,566,478.75 | | 0.00 | 0.00 | 0.00 | 0.00 |
| PC: Level II - Hard to Serve | 003 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Live-in | 004 | 1,333,107.52 | 0.00 | 0.00 | 1,333,107.52 | 328,954.48 | 1,004,153.04 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Supervision | 005 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Assessment | 006 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level I | 007 | 235,857.49 | 0.00 | 0.00 | 235,857.49 | 58,199.64 | 177,657.85 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level II | 008 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal (reimbursable services) | 009 | 4,551,024.01 | 0.00 | 0.00 | 4,551,024.01 | 1,123,000.00 | 3,428,024.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| Subcontractor Services | 011 | 0.00 | | | 0.00 | | 0.00 | | | | | |
| Home Health Aide | 012 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| GRAND TOTAL | 013 | 4,551,024.01 | | | 4,551,024.01 | 1,123,000.00 | 3,428,024.01 | | | | | |

**Step Two: Allocate costs by entity and service**

**County Allocation Percentages**

**Supporting Documentation: Allocation Methodology**

Summary of Hours (from system generated support)

| | Dutchess | Total |
|---|---|---|
| PC: Level I | 2,200.00 | 2,200.00 |
| PC: Level II | 5,070.00 | 5,070.00 |
| Live-In | 3,250.00 | 3,250.00 |
| Shared Aide Level I | 575.00 | 575.00 |
| Total | 11,095.00 | 11,095.00 |

Program Aide Column 006 $ 3,428,024.00

Program Administration Column 005 $ 1,123,000.00

| Allocation Percentages | Dutchess | Check |
|---|---|---|
| PC: Level I | 19.83% | 19.83% |
| PC: Level II | 45.70% | 45.70% |
| Live-In | 29.29% | 29.29% |
| Shared Aide Level I | 5.18% | 5.18% |
| Total | 100.00% | 100.00% |

| Allocation Percentages | Dutchess | Total |
|---|---|---|
| PC: Level I | $ 679,734.37 | $ 679,734.37 |
| PC: Level II | $ 1,566,478.75 | $ 1,566,478.75 |
| Live-In | $ 1,004,153.04 | $ 1,004,153.04 |
| Shared Aide Level I | $ 177,657.85 | $ 177,657.85 |
| Total | $ 3,428,024.00 | $ 3,428,024.00 |

| Allocation Percentages | Dutchess | Total |
|---|---|---|
| PC: Level I | $ 222,676.88 | $ 222,676.88 |
| PC: Level II | $ 513,169.00 | $ 513,169.00 |
| Live-In | $ 328,954.48 | $ 328,954.48 |
| Shared Aide Level I | $ 58,199.64 | $ 58,199.64 |
| Total | $ 1,123,000.00 | $ 1,123,000.00 |

**Step Three: Categorize costs by columns and Service Type rows on Schedule 3 for each county.**

**Example:** Salary and benefit expenses from the TB are categorized and reported in Column 005 Program Administration and Column 006 Program Aide and allocated by entity and service type rows (001, 002, 004, 007).

# Reporting costs on Schedule 3 (continued)

"Total Entity Costs" on Schedule 3 should reconcile to the total expenses per financial statements.

Administrative costs should be reported in Column 005 and should equal the total Program Administration costs reported on Schedule 4, Column 001 .

*Schedule 3*

| LHCSA Name | | Abc | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Dutchess | | | | | | | | | | |
| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 004 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care | | | | | | | | | | | | |
| PC: Level I | 001 | 1,256.00 | 3.00 | 11.00 | 1,242.00 | 305.00 | 919.00 | | 13.00 | 1.00 | 0.00 | 4.00 |
| PC: Level II | 002 | 3,574,823.00 | 8,080.00 | 31,359.00 | 3,535,384.00 | 868,832.00 | 2,615,896.00 | | 36,594.00 | 1,568.00 | 0.00 | 12,494.00 |
| PC: Level II - Hard to Serve | 003 | 50,652.00 | 114.00 | 444.00 | 50,094.00 | 12,311.00 | 37,065.00 | | 519.00 | 22.00 | 0.00 | 177.00 |
| Live-in | 004 | 1,065,959.00 | 2,409.00 | 9,351.00 | 1,054,199.00 | 259,073.00 | 780,022.00 | | 10,912.00 | 467.00 | 0.00 | 3,725.00 |
| Nursing Supervision | 005 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Assessment | 006 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level I | 007 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level II | 008 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal (reimbursable services) | 009 | 4,692,690.00 | 10,606.00 | 41,165.00 | 4,640,919.00 | 1,140,521.00 | 3,433,902.00 | 0.00 | 48,038.00 | 2,058.00 | 0.00 | 16,400.00 |
| Other Non-Reimbursable Services | 010 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| Subcontractor Services | 011 | 0.00 | | | 0.00 | | 0.00 | | | | | |
| Home Health Aide | 012 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| GRAND TOTAL | 013 | 4,692,690.00 | 10,606.00 | 41,165.00 | 4,640,919.00 | 1,140,521.00 | 3,433,902.00 | | 48,038.00 | 2,058.00 | | 16,400.00 |

Nonreimbursable costs should be reported in Column 002.

Direct care costs should be reported in Columns 006–011.

# Reporting costs on Schedule 4

No direct care personnel expenses should be reported on Schedule 4 except for costs related to medical supplies.

***Schedule 4***

| LHCSA Name | | test | |
|---|---|---|---|
| LHCSA County | | Albany | |
| | | Program Administration | Direct Care Non-personnel Costs |
| | | 001 | 002 |
| GENERAL SERVICE COST CENTERS | | | |
| Criminal Background Check & Fingerprinting | 001 | 0.00 | |
| Capital Related - Building & Fixtures | 002 | 0.00 | |
| Capital Related - Movable Equipment | 003 | 189.00 | |
| Plant Operations & Maintenance | 004 | 5,802.00 | |
| Rent | 005 | 22,653.00 | |
| Interest-Property | 006 | 0.00 | |
| Depreciation | 007 | 0.00 | |
| Transportation | 008 | 9,554.00 | |
| Utilities | 009 | 8,998.00 | |
| Office Supplies & Materials | 010 | 7,243.00 | |
| Insurance | 011 | 44,193.00 | |
| Administration & General | 012 | 1,036,704.00 | |
| Employee physicals/uniforms/immunizations | 013 | 0.00 | |
| Medical Supplies | 014 | 0.00 | |
| GRAND TOTAL | 015 | 1,135,336.00 | |

Within column 002 (Direct Care Non-personnel costs), all rows are greyed out with the exception of medical supplies to prevent erroneous costs.

Total Program Administration Costs on Schedule 4, Column 001 should equal the Program Administration Costs reported on Schedule 3, Column 005

Direct Care Non-Personnel costs should be reported in the Medical Supplies row 014 for LHCSA and FI (Row 014 for CHHA Pediatric, LHCSA and FI; Row 028 for CHHA Episodic), column 002.

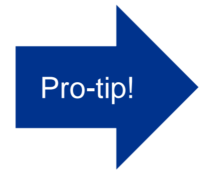
# Reporting costs on Schedules 3 and 4

## Common errors

- During the audit, there were several questions regarding certain expenditures from the Agency's trial balance and how those should be categorized within the cost report. Sometimes, the preparer of the cost report and audit liaison, were unaware of the type of expenditures captured in the trial balance accounts.

## Lessons learned

- A better practice is to engage an individual from the Agency's accounting or finance department in the cost categorization process. This individual may provide helpful insights into the expenditures that are recorded in certain trial balance accounts to improve cost categorization and overall reporting of expenditures within the cost report.




**Please refer to the cost categorization table in the Appendix section of the Home Care Cost Report Instructions for further guidance.**

**Example of the Cost Categorization table in the Appendix of the Instructions**

***Extract from the Instructions of common expenditures***

| Expense Description | Included in Schedule 4? | Schedule 4 Column | Schedule 4 Row # | Schedule 4 Row Name (Cost type) |
|---|---|---|---|---|
| Accounting fees | Included | Program Administration | 012 (LHCSA, FI, CHHA Pediatric)<br>026 (CHHA Episodic) | Administration & General |
| Advertising expenses to attract new employees | Included | Program Administration | 012 (LHCSA, FI, CHHA Pediatric)<br>026 (CHHA Episodic) | Administration & General |
| Amortization goodwill | Included | Program Administration | 012 (LHCSA, FI, CHHA Pediatric)<br>026 (CHHA Episodic) | Administration & General |
| Bad debt expense | Not Included | Not Included | | |

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# Schedule 3 and 4 - Improper Allocation of Costs

## Common errors

- There were instances where agencies did not properly allocate their costs across all entities that they operate. Specifically, there were instances where smaller entities were combined within larger entities, or costs were evenly divided among entities without a supportable basis. As a result, reported costs were not properly allocated across Schedule 3 and Schedule 4.

## Lessons learned

- Agencies should develop a reasonable methodology to help ensure their expenses are properly allocated across every service and entity that they operate.
- For example, allocation methodologies should:
  - Include specific formulas used to calculate allocation percentages
  - Clearly explain why the selected allocation basis was used (e.g., percentage of visits, hours of service, etc.)
  - Allocate shared costs across all applicable services and entities

Pro-tip!

**Any entity that serves at least 1 patient should be separately reported in the Home Care cost report. Costs should be allocated to the entity to help ensure that entity receives a Medicaid rate. Without data entered for that county, no reimbursement rate will be calculated during the rate setting process.**

**County Allocation Percentages**

Summary of Hours (from system generated support)

| | County #1 | County #2 | County #3 | Total |
|---|---|---|---|---|
| PC: Level I | 2200 | 990 | 910 | 4100 |
| PC: Level II | 3950 | 1820 | 1580 | 7350 |
| Live-In | 1640 | 3600 | 750 | 5990 |
| Total | 7790 | 6410 | 3240 | 17440 |

| Allocation Percentages | County #1 | County #2 | County #3 | Check |
|---|---|---|---|---|
| PC: Level I | 12.61% | 5.68% | 5.22% | 23.51% |
| PC: Level II | 22.65% | 10.44% | 9.06% | 42.14% |
| Live-In | 9.40% | 20.64% | 4.30% | 34.35% |
| Total | 44.67% | 36.75% | 18.58% | 100.00% |

Key assumptions:

- The LHCSA provides PC Level I, PC Level II, and Live-in services.
- The LHCSA operates in three counties.
- The system-generated report tracks the number of hours per county.

# Schedule 3 - Visits to Hours Allocation Methodology

| Common errors | Lessons learned |
|---|---|
| • When converting visits to hours to allocate costs across services provided on Schedule 3 using a consistent allocation methodology (i.e., hours), it was noted that there were instances where agencies applied a 13-to-1 hours to visit conversion ratio for nursing assessment and nursing supervision services. | • Agencies should not use the 13-to-1 conversion ratio for these types of services. As per DOH guidance, this conversion ratio should only be used for Live-in services. Nursing assessment and nursing supervision services should use a 1-to-1 conversion ratio or another reasonable ratio that accurately reflects the average length of each visit and any conversion ratio used should be able to be supported. Agencies should ensure that conversion methodologies applied within the Cost Report are consistent with the Home Care Cost Report Instructions. |

**Home Care Cost Report Instructions on conversion ratios**

15. **Report Fields** – There are some fields in Schedule 5a, Schedule 5b, and Schedule 5c that are not applicable to all agencies completing the cost report. For example, certain service types, measure 'units of service' in hours, not the number of visits, and vice versa. As such, all service type rows are aligned to their appropriate a 'unit of service column' and allow for data entry. Cells that are grayed out do not allow for data entry because the service type row does not correspond to the 'unit of service column' according to DOH.

    If your agency tracks Home Health Registered Nurse services or Sign Language/Oral Interpreter units of service in hours, you will need to convert the service hours to visits to be able to report in the "visits/days" columns on Schedule 5. DOH determined the conversions for these two service types:

    a. Home Health Registered Nurse – Assume that one RN visit/day is equal to one hour.

    b. Sign Language/Oral Interpreter – Assume that one SL/OI visit/day is equal to one hour.

# Schedule 3 and 5 - Reporting of nonreimbursable services (direct care)

## Common errors

- There were instances where agencies participating in nonreimbursable services such as NHTD-TBI Waiver programs attempted to report related service statistics and costs in the Cost Report; however, these services were not reported in the appropriate **non**reimbursable service category on Schedule 3.

***Extract from the Instructions of nonreimbursable services***

| Hospice services | CHHA |
|---|---|
| Programs of All-Inclusive Care for the Elderly (PACE) services | LHCSA |
| Nursing Home Transition and Diversion (NHTD) services | LHCSA, FI |
| Traumatic Brain Injury (TBI) services | LHCSA, FI, CHHA (not skilled nursing) |
| Home Health Aide | *LHCSA |
| Out-of-state services | LHCSA, FI, CHHA |
| Non-home-care services | LHCSA, FI, CHHA |

*Includes subcontracting HHA services and direct HHA services contracted with MCO(s). Since reimbursement for these services is not received directly through Medicaid FFS, no Medicaid FFS rate will be provided for this service. Costs for HHA services to a LCHSA agency are deemed nonreimbursable for cost reporting purposes.

## Lessons learned

- Services that are reimbursed through a program other than Medicaid CHHA, Personal Care, or Consumer Directed Programs (e.g., Hospice, PACE, NHTD) should be reported in the "Other Non-Reimbursable Services" row (010) on Schedules 3 and 5. On Schedule 3, the costs associated with these services should be reported in the "Nonreimbursable Costs (Adjustment to Expense)" Column (002).
- LHCSA agencies providing Home Health Aide services should report the costs and service statistics associated with the services in the "Home Health Aide" row (012) on Schedule 3 and Schedule 5. On Schedule 3, the costs associated with these services should be reported in the "Non-Reimbursable Costs (Adjustment to Expense)" Column (002).

**The Home Care Cost Report Instructions includes a summarized chart with examples of nonreimbursable services, as shown here.**

**Examples of the reporting of nonreimbursable services are included on the next slide.**

**2024 Top Audit Finding**



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# Reporting of nonreimbursable services (Direct care) (continued)

**Proper reporting for Home Health Aide and other nonreimbursable services on Schedule 3:**

***Schedule 3***

| LHCSA Name | | test lhcsa 2 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Bronx | | | | | | | | | | |
| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 005 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care | | | | | | | | | | | | |
| PC: Level I | 001 | | | | | | | | | | | |
| PC: Level II | 002 | | | | | | | | | | | |
| PC: Level II - Hard to Serve | 003 | | | | | | | | | | | |
| Live-in | 004 | | | | | | | | | | | |
| Nursing Supervision | 005 | | | | | | | | | | | |
| Nursing Assessment | 006 | | | | | | | | | | | |
| Shared Aide: Level I | 007 | | | | | | | | | | | |
| Shared Aide: Level II | 008 | | | | | | | | | | | |
| **Subtotal (reimbursable services)** | 009 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | 47,000.00 | 47,000.00 | | | | | | | | | |
| Subcontractor Services | 011 | | | | | | | | | | | |
| Home Health Aide | 012 | 19,000.00 | 19,000.00 | | | | | | | | | |
| **GRAND TOTAL** | 013 | 66,000.00 | 66,000.00 | | | | | | | | | |

# Schedule 3 - Allocating Costs for Nonreimbursable services

## Common errors

- There were instances where agencies that provide nonreimbursable services did not allocate a portion of their program administration costs to those nonreimbursable services (e.g., NHTD, TBI, etc.). Instead, all program administration costs were reported under reimbursable services, resulting in overstated reimbursable costs on Schedules 3 and 4.

**Supporting Documentation: Allocation Methodology**

SUM | =B4/$E$9

**County Allocation Percentages**

Summary of Hours (from system generated support)

| | County #1 | County #2 | County #3 | Total |
|---|---|---|---|---|
| PC: Level I | 2,200.00 | 990.00 | 910.00 | 4,100.00 |
| PC: Level II | 5,070.00 | 1,820.00 | 1,580.00 | 8,470.00 |
| Live-In | 3,250.00 | 650.00 | 780.00 | 4,680.00 |
| Nursing Supervision | 575.00 | 175.00 | - | 750.00 |
| NHTD (Non-reimbursable) | 750.00 | 600.00 | - | 1,350.00 |
| Total | 11,845.00 | 4,235.00 | 3,270.00 | 19,350.00 |

| Allocation Percentages | County #1 | County #2 | County #3 | Check |
|---|---|---|---|---|
| PC: Level I | =B4/$E$9 | 5.12% | 4.70% | 21.19% |
| PC: Level II | 26.20% | 9.41% | 8.17% | 43.77% |
| Live-In | 16.80% | 3.36% | 4.03% | 24.19% |
| Nursing Supervision | 2.97% | 0.90% | 0.00% | 3.88% |
| NHTD (Non-reimbursable) | 3.88% | 3.10% | 0.00% | 6.98% |
| Total | 61.21% | 21.89% | 16.90% | 100.00% |

## Lessons learned

- Agencies should allocate program administration costs across all services provided, including nonreimbursable services, using an acceptable allocation methodology (e.g., % of visits/hours, % of Direct Care costs, etc.).
  - Program administration costs attributable to nonreimbursable services must be reported in Schedule 3, Column 002 (Nonreimbursable Costs – Adjustment to Expenses), including within the "Other Non-Reimbursable Services" row, as applicable.
  - Schedule 3, Column 005 (Program Administration) should only reflect administration costs allocated to reimbursable services.
  - Schedule 4 should include administrative personnel and non-personnel costs for reimbursable services only.
- Agencies should help ensure cost allocations are properly supported, consistently applied, and aligned with the Home Care Cost Report Instructions to prevent overstatement of reimbursable costs.

**All direct care and program administration costs should be allocated to each service, including nonreimbursable services provided by the agency.**

# Agencies that do NOT provide reimbursable services in a specific county/entity

## Common errors

- There were instances where agencies provided services in a county/entity that was active but limited to nonreimbursable services (e.g., NHTD/TBI) and as such, the agency did not report those entities correctly in the Home Care Cost Report. In some cases, these counties/entities were not reported at all or were combined with another county.

## Lessons learned

- Agencies must report all active counties/entities, including those with only nonreimbursable services.
- Agencies should report and allocate costs to all active counties/entities in the Cost Report, including those where only nonreimbursable services (e.g., NHTD/TBI) were provided to:
  - Ensure costs are appropriately allocated across all entities
  - Reconcile reported expenses to total agency costs
  - Maintain consistency with cost report Instructions

**Refer to slide 45 for new Tool update on reporting Nonreimbursable services**

***Schedule 3***

| LHCSA Name | | test lhcsa 1 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **LHCSA County** | | **Bronx** | | | | | | |
| | | **Total Entity Costs (002 + 003 + 004)** | **Non-Reimbursable Costs (Adjustment to Expense)** | **Non-Reimbursable WR&R Costs** | **Total Reimbursable Costs (Sum of 005 through 011)** | **Program Administration** | **Program Aide (Direct Care)** | **Program RN Supervision/ Assessment (Direct Care)** |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 |
| **Direct Care** | | | | | | | | |
| PC: Level I | 001 | 0 | | | 0 | | | |
| PC: Level II | 002 | | | | | | | |
| PC: Level II - Hard to Serve | 003 | | | | | | | |
| Live-in | 004 | 0 | | | | | | |
| Nursing Supervision | 005 | 0 | | | | | | |
| Nursing Assessment | 006 | 0 | | | | | | |
| Shared Aide: Level I | 007 | | | | | | | |
| Shared Aide: Level II | 008 | | | | | | | |
| **Subtotal (reimbursable services)** | 009 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | 2,835,799 | 2,835,799.0C | | | | | |
| Subcontractor Services | 011 | | | | | | | |
| Home Health Aide | 012 | | | | | | | |
| **GRAND TOTAL** | 013 | 2,835,799 | 2,835,799 | 0 | 0 | 0 | 0 | |

**Report nonreimbursable services, including program administration costs allocated to nonreimbursable services, on Schedule 3 Column 002 in row 010.**

# Schedule 3 – Column 011: Other Costs

## Common errors

- There were instances where agencies reported costs in Schedule 3, Column 011 (Other Costs) without providing a description or explanation of the nature of those costs.

## Lessons learned

- Schedule 3, Column 011 (Other) costs should only include expenditures that cannot be appropriately reported in other Schedule 3 columns. Agencies should provide a description or explanation of the costs reported in this column to clearly indicate the nature of the expense. In some cases, a cost reconciliation may be required to support the amounts reported.

***Schedule 3***

Column 011 "Other"

| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 005 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care: CHHA Pediatric Costs & Expense by Service Type | | | | | | | | | | | | |
| Home Health Aide | 001 | 12,576.00 | | | 12,576.00 | | | | | | | 12,576.00 |
| Home Health Physical Therapy | 002 | 0.00 | | | 0.00 | | | | | | | |
| Home Health Occupational Therapy | 003 | 0.00 | | | 0.00 | | | | | | | |
| Home Health Registered Nurse | 004 | | | | | | | | | | | |
| Home Health Medical Social Services | 005 | | | | | | | | | | | |

**Information button description for Column 011**

Report expenditures associated with items that cannot be appropriately included in the other columns in Schedule 3a, 3b, or 3c. Items entered in this column may require an explanation/description to indicate the nature of the cost. Please see page 23 of the Home Care Cost Report Instructions for more information related to Other costs.

### Schedule Validation

Some schedules are incomplete or contain inconsistent data. These may be resolved as you complete additional schedules.

| Error Correction | Related Schedule(s) | Message | Please explain why this recommendation has not been corrected |
|---|---|---|---|
| Recommended, but not Required | Schedule 3a | Please note that your agency has entered costs in "Other" (Column 011) of Schedule 3. Per the cost report instructions, agencies that have costs that cannot be reported within one of the other columns on Schedule 3 should report those costs in the "Other" Column 011. Please provide a description of the costs your agency has entered in this column to help ensure that these costs have been reported correctly. This information should be entered in the field to the right of this message. For additional guidance on "Other" costs, review page 23 of the Home Care Cost Report Instructions. | |

**Agencies are required to provide an explanation in this section when reporting "Other" costs.**

# Schedule 5 - Proper Reporting Dual-Eligible

| Common errors | Lessons learned |
|---|---|
| • There were instances where agencies did not properly report Dual-Eligible statistics correctly on Schedule 5. | • Agencies should report those service statistics in Schedules 5a, 5b, and 5c in Columns 010 (patients), 011 (visits/days), and 012 (hours). If a patient is considered “dual-eligible,” that means the patient has both Medicaid and Medicare coverage and as such, their service statistics must also be entered in either the Medicaid Columns 001 – 006 or the Medicare Columns 013, 014, and 015. The agency may not report the service statistics for the same patient and service type in both the Medicaid and Medicare columns. Instead, the agency should enter the service statistics in one or the other based on the primary payor. The service statistics should also be reported in the Dual-eligible Columns 010, 011, and 012. That is because service statistics entered into the Dual-eligible columns are NOT counted in the Total Columns 022, 023, or 024. Only service statistics entered into the Medicaid, Medicare, Private Pay, and Other columns are included in the Total. As such, service statistics entered into the Dual-eligible columns will not be counted in the Totals on Schedule 5.<br><br>**Examples of the reporting of Dual-Eligible on Schedule 5 are included on the next slide.** |





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# Schedule 5 - Proper Reporting Dual-Eligible (continued)

Payor Type

For Dual-Eligible patients, service statistics should *also* be reported in the applicable Medicaid or Medicare columns highlighted here. They will *not* be double counted in the total columns.

## *Schedule 5*

| | | Medicaid | | | | | | | | | Dual-eligible | | | Medicare | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FFS | | | MC | | | Total Medicaid (FFS + MC) | | | | | | | | |
| | | Patients | Units of Service: Visits | Units of Service: Hours | Patients | Units of Service: Visits | Units of Service: Hours | Patients | Units of Service: Visits | Units of Service: Hours | Patients | Units of Service: Visits | Units of Service: Hours | Patients | Units of Service: Visits | Units of Service: Hours |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 | 012 | 013 | 014 | 015 |
| **CHHA Adult Episodic Direct Care** | | | | | | | | | | | | | | | | |
| Home Health Aide | 014 | 1.00 | | 11.75 | 2.00 | | 142.50 | 3 | | 154.25 | 1.00 | | 11.75 | 11.00 | | 375.50 |
| Home Health Physical Therapy | 015 | 2.00 | 17.00 | | 1.00 | 39.00 | | 3 | 56 | | 2.00 | 17.00 | | 27.00 | 167.00 | |
| Home Health Occupational Therapy | 016 | | | | | | | | | | | | | | | |
| Home Health Registered Nurse | 017 | 12.00 | 109.00 | | 6.00 | 41.00 | | 18 | 150 | | 8.00 | 94.00 | | 32.00 | 344.00 | |
| Home Health Medical Social Services | 018 | | | | | | | | | | | | | | | |
| Home Health Nutrition | 019 | | | | | | | | | | | | | | | |
| Home Health Speech Therapy | 020 | | | | | | | | | | | | | | | |
| Home Health Respiratory Therapy | 021 | | | | | | | | | | | | | | | |
| Home Social & Environmental Support | 022 | | | | | | | | | | | | | | | |
| Home Health Sign Language/Oral Interpreter | 023 | | | | | | | | | | | | | | | |
| Nursing Supervision | 024 | | | | | | | | | | | | | | | |
| Nursing Assessment | 025 | | | | | | | | | | | | | | | |
| **Subtotal (reimbursable Adult services)** | 026 | 15.00 | 126.00 | 11.75 | 9.00 | 80.00 | 142.50 | 24.00 | 206.00 | 154.25 | 11.00 | 111.00 | 11.75 | 70.00 | 511.00 | 375.50 |
| Other Non-Reimbursable Services | 027 | | | | | | | | | | | | | | | |
| Personal Care Services | 028 | 10.00 | | 530.75 | 5.00 | | 196.75 | 15 | | 727.5 | 7.00 | | 468.25 | 1.00 | | 74.25 |
| **GRAND TOTAL** | 029 | 25 | 126 | 542.5 | 14 | 80 | 339.25 | 39 | 206 | 881.75 | 18 | 111 | 480 | 71 | 511 | 449.75 |

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# Reporting service statistics on Schedule 5

| Common errors | Lessons learned |
|---|---|
| • Several agencies reported service statistics (units of service or patient count) in the **incorrect service type row** on Schedule 5.<br>• Several agencies reported service statistics (units of service or patient count) in the **incorrect payor type column** on Schedule 5. | • Agencies should have a reconciliation of their supporting documentation to Schedule 5 to support the service statistics reported by service type row, payor type, units of service, patient count, and all other categories included on Schedule 5.<br>– **NOTE: Agencies should refer to Appendix A of the Home Care Cost Report Instructions for home care billing codes and modifiers that help providers ensure the costs and service statistics are reported in the correct service type row(s).**<br><br>**Examples of the reporting of service statistics on Schedule 5 are included on the next slide.** |

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# Reporting service statistics on Schedules 5 (continued)

*Schedule 5*

Payor Type

Service Type Row

Patient Counts

| LHCSA Name | Abc | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | Dutchess | | | | | | | | | | | | | | | |
| | | Medicaid | | | | | | | | | Dual-eligible | | | Medicare | | |
| | | FFS | | | MC | | | Total Medicaid (FFS + MC) | | | | | | | | |
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 | 012 | 013 | 014 | 015 |
| Direct Care | | | | | | | | | | | | | | | | |
| PC: Level I | 001 | 1.00 | | 0.00 | 1.00 | | 56.00 | 2.00 | 0.00 | 56.00 | | | | | | |
| PC: Level II | 002 | 237.00 | | 155,504.00 | 237.00 | | 155,504.00 | 474.00 | 0.00 | 311,008.00 | | | | | | |
| PC: Level II - Hard to Serve | 003 | 2.00 | | 2,249.00 | 2.00 | | 2,249.00 | 4.00 | 0.00 | 4,498.00 | | | | | | |
| Live-in | 004 | 16.00 | 3,407.00 | | 16.00 | 3,407.00 | | 32.00 | 6,814.00 | 0.00 | | | | | | |
| Nursing Supervision | 005 | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | | | | | |
| Nursing Assessment | 006 | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | | | | | | |
| Shared Aide: Level I | 007 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | | | | | | |
| Shared Aide: Level II | 008 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | | | | | | |
| **Subtotal (reimbursable services)** | 009 | 256.00 | 3,407.00 | 157,753.00 | 256.00 | 3,407.00 | 157,809.00 | 512.00 | 6,814.00 | 315,562.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | | | | | | | 0.00 | 0.00 | 0.00 | | | | | | |
| Subcontractor Services | 011 | | | | | | | 0.00 | 0.00 | 0.00 | | | | | | |
| Home Health Aide | 012 | | | | | | | 0.00 | 0.00 | 0.00 | | | | | | |
| GRAND TOTAL | 013 | 256.00 | 3,407.00 | 157,753.00 | 256.00 | 3,407.00 | 157,809.00 | 512.00 | 6,814.00 | 315,562.00 | | | | | | |

# Reporting Medicaid revenue on Schedule 19

## Common errors

- There were several instances where agencies improperly reported Medicaid FFS, Medicaid MC, and/or total Medicaid revenue on Schedule 19.

## Lessons learned

- Medicaid revenue should be reported in rows 002 – 003 on Schedule 19.
- The type of Medicaid revenue Fee-for-service (reimbursed directly by NYS DOH) or Managed Care (via contracts with MCOs/MLTCs) reported on Schedule 19 should be consistent with the Medicaid statistics reported on Schedule 5.

### Schedule 5

| LHCSA Name | Example LHCSA | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | County #1 | | | | | | | | | |
| | | Medicaid | | | | | | | | |
| | | FFS | | | MC | | | Total Medicaid (FFS + MC) | | |
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 |
| **Direct Care** | | | | | | | | | | |
| PC: Level I | 001 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| PC: Level II | 002 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| PC: Level II - Hard to Serve | 003 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| Live-in | 004 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Nursing Supervision | 005 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Nursing Assessment | 006 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Shared Aide: Level I | 007 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| Shared Aide: Level II | 008 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| **Subtotal (reimbursable services)** | 009 | **8.00** | **3.00** | **5.00** | **8.00** | **3.00** | **5.00** | **16.00** | **6.00** | **10.00** |
| Other Non-Reimbursable Services | 010 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Subcontractor Services | 011 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Home Health Aide | 012 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| **GRAND TOTAL** | 013 | **11.00** | **5.00** | **8.00** | **11.00** | **5.00** | **8.00** | **22.00** | **10.00** | **16.00** |

### Schedule 19

| | | 001 |
|---|---|---|
| *Home Care Service Revenue:* | | |
| Medicaid | 001 | $ 100,000 |
| *Fee-for-service* | 002 | $ 50,000 |
| *Managed Care* | 003 | $ 50,000 |
| Medicare | 004 | $ |
| Private Pay | 005 | $ |
| Commercial | 006 | $ |
| Other Government Programs | 007 | $ |
| Other | 008 | $ |
| TOTAL HOME CARE SERVICE REVENU | 009 | $ 100,000 |

**Row 001 automatically sums Medicaid rows 002 (Fee-for-Service) and row 003 (Managed Care)**

# Lessons learned: Audit process

# Cost Report Submission tab

## Common errors

- There were instances where agencies believed they had successfully submitted their Cost Report; however, the submission was not completed. Specifically, agencies did not verify submission by reviewing the Date and Time stamp on the Cost Report Submission tab.

## Lessons learned

- Agencies should verify successful submission of the Cost Report by navigating to the Cost Report Submission tab and confirming that a Date and Time stamp is displayed on the submission section. Another way of confirming is navigating to the Cost Report Schedules tab and a "Cost Report Submitted" stamp will display as shown below.

Instructions | Frequently Asked Questions (FAQ) | Reporting Hierarchy | Cost Report Schedules | Financial Reconciliation | General Questionnaire | Cost Report Submission | Documentation Requests | Extensions | Milestone Extensions | Adjusted Cost Report Schedules | Contact Information

Audit / Questions | Communications | Agency's Audit Representation | Engagement Milestones | Agendas | Provider Questions | Reporting

Cost Report Submission

Cost Report submitted

Schedule 1

Schedule 2

Schedule 1: General Information - Agency

Schedule completed

Instructions | Frequently Asked Questions (FAQ) | Reporting Hierarchy | Cost Report Schedules | Financial Reconciliation | General Questionnaire | Cost Report Submission | Documentation Requests | Extensions | Milestone Extensions | Adjusted Cost Report Schedules | Contact Information

Audit / Questions | Communications | Agency's Audit Representation | Engagement Milestones | Agendas | Provider Questions | Reporting

| Home Care Cost Report | **Reporting Period**<br>From: 1/1/2024<br>To: 12/31/2024 | Date: 8/29/2025<br>Time: 9:28 AM |
|---|---|---|
| **Agency Certification** | | |
| Agency Name: | Test Organization | |
| Tax ID Number: | 112876599 | |
| Number of CHHA Entities: | 0 | |
| Number of LHCSA Entities: | 8 | |
| Number of FI Entities: | 8 | |

**Agency Representation:**

The intention of the agency representation statement is to verify that the information provided to KPMG through the 2024 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate.

**Important:**
**If the Cost Report Submission Tab is not successfully completed, the Department will not receive the cost report submission, even if all schedules are fully filled out.**

# Audit process

| Common errors | Lessons learned |
|---|---|
| • In some instances, providers were unsure of the process to complete the Financial Reconciliation tab and the importance of this tab. | • Per the Home Care Cost Report Instructions, Schedule 3 should include an agency's total costs, including direct care personnel costs, administrative personnel costs, non-personnel costs, and nonreimbursable costs.<br>- **As such, the "Total Entity Costs" reported on Schedule 3 should reconcile to the total expenses reported in the agency's Financial Statements for the calendar year being reported.**<br>• The "Financial Reconciliation" tab in the Tool is the location where agencies tie their total expenses reported in their financial statements to the total amount of costs reported on Schedule 3. This reconciliation is intended to help ensure that all appropriate costs were included on Schedule 3.<br>• In this tab, agencies can review Schedule 3 totals against Schedule 19, and a future audit check will help ensure any discrepancies are addressed.<br>- **Agencies may enter reconciling items that cause a variance between Schedule 3 and their financial statements (e.g., bad debt expense, out-of-state expenses, non-operating expenses, etc.). If a variance exceeds 5%, the agency must resolve the difference by either correcting Schedule 3 (e.g., entering additional allowable costs) or adding appropriate reconciling items within this tab prior to submission.**<br>• Please note that this tab will populate once the agency completes both Schedule 3 and Schedule 19.<br><br>**Please refer to slide 49 for Future Cost Report year updates on the Financial Reconciliation process.** |

# Future cost report year updates

# Future cost report year updates

## Future cost report impact

- DOH expects all applicable Home Care agencies to make every effort to comply with all aspects of the cost report requirements as the cost report data will be used to set the Medicaid reimbursement rates.

## Provider responsibility for consultants

- For the 2024 Home Care Cost Reports, a high volume of providers hired CPA firms and industry consultants to assist with the cost report submission and audit process. DOH has observed that some consultants have had issues preparing and submitting accurate cost reports. DOH would like to reiterate that it is acceptable to hire vendors to support the Home Care Cost Report submission and audit; however, the provider is ultimately responsible for accurate and timely submissions and encourages every provider to be engaged throughout the process.

## Additional guidance materials

- Based on the lessons learned from the 2024 audit year, KPMG and DOH will be updating the cost report Instructions for the 2025 Cost Report submission period to include detail related to reporting areas that were challenging during the 2024 cost report process, including additional guidance on the following:
  - Allocating reimbursable and nonreimbursable program administration costs on Schedules 3 and 4
  - Reporting when the agency only provided nonreimbursable services in a specific entity/county during the reporting year
  - Updating the Billing Codes in the Appendices
  - Reporting the Unique Employee ID on Schedule 20



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# Future cost report year updates (continued)

## 2025 Tool updates

- DOH will be deploying updates to the web-based Tool to help improve the cost report submission and audit processes. These updates include the following:
  - ***Checks and reminders***
    - A new check will be implemented to verify that Schedule 3 Program Administration costs align with Direct Care costs for each service type.
    - Schedule 7 will have a new check between Schedules 5 and 7, which will verify whether the agency reported Private Pay statistics in Schedule 5, that verifies that corresponding charges in Schedule 7 for the same entity and service type.
  - ***Updates to Recommended and Required Checks***
    - The recommended check for costs reported in Schedule 3, Column 011 “Other” will remain recommended however, agencies will now be required to provide an explanation describing the nature of the costs reported in this column.
    - The recommended check to ensure service type rows reported on Schedule 7 match the service type rows reported on Schedule 5 will be changed to a “Required” check.
    - The recommended check comparing total costs reported on Schedule 3 and Schedule 4 to identify instances where Schedule 3 costs exceed Schedule 4 costs will be changed to a “Required” check.
  - ***General Questionnaire tab updates***
    - Question G.4 will be modified to ask agencies if they have audited financial statements and, if yes, the name of the financial statement auditor.
    - Question G.15 will be modified to include a drop-down menu of reports submitted by agencies to DOH.
    - Question G.19 will be added to ask agencies whether they are affiliated with a New York State health system.
  - ***Financial Reconciliation updates***
    - Data will be automatically flow from row 015 “Total Operating Expenses” in Schedule 19. Agencies should resolve any variances exceeding 5% between the Total Operating Expenses from Schedule 19 and the Total Entity Costs reported on Schedule 3. The tab will appear after Schedules 3 and 19 have been completed.

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy updates***
  - A new column will be added asking providers whether they provided services in that county within the given year.
  - A new column will be added asking providers whether they provided nonreimbursable services only in that county within the given year.
  - Questions I.6 and I.7 will be **updated** to add a new column for LHCSA and FI entities to indicate the agency's billing type.
  - The National Provider Identifier (NPI) field will be added. If the NPI is pre-populated, agencies will be required to confirm it is correct. If not pre-populated, agencies must enter the NPI *if one has been assigned*.
  - Question I.3 will be updated to include a popup message for providers required to submit a Budgeted Projection Statement.
  - Three columns will be removed from questions I.5, I.6, I.7:
    - Type (i.e., Proprietary, Voluntary or Public)
    - Direct Care Standard Hours Per Week
    - Program Administration Standard Hours Per Week
- ***Other general updates***
  - The Cost Report Submission tab will show outstanding errors at the top of the page prior to submission.
  - Updates will be made to existing information buttons (i-buttons) and new i-buttons will be added throughout the Tool.
- ***Platform updates***
  - A new Tool platform view will be available that is more intuitive and user-friendly.

# Future cost report year updates (continued)

## 2025 Tool updates

- *Checks and reminders*

- **New warning checks:** A new check will be implemented to verify that Schedule 3 Program Administration costs align with Direct Care costs for each service type, as depicted below.

| Schedule 3b: LHCSA Costs & Expenses by Service Type | | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Contracted Purchased Services |
|---|---|---|---|---|---|
| | | 005 | 006 | 007 | 010 |
| Direct Care | | | | | |
| PC: Level I | 001 | 0 | 1,000,000 | 50,000 | |
| PC: Level II | 002 | | | | |

In this example, a warning message will appear as the agency has amounts reported on Schedule 3, Column 006 (Program Aide (Direct Care), and Column 007 (Program RN Supervision/Assessment (Direct Care) in Row 001 (PC: Level I); however, no corresponding amounts were reported in Column 005 (Program Administration), Row 001 (PC: Level I).



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# Future cost report year updates (continued)

## 2025 Tool updates

- *Checks and reminders*

- **New warning checks***:* Schedule 7 will have a new required check between Schedules 5 and 7 beginning in the 2025 Cost Report year, which will verify whether the agency reported Private Pay statistics in Schedule 5, Columns 016–018 and confirm that corresponding charges are reported in Schedule 7 for the same entity and service type, as depicted below.

**Schedule 5b LHCSA County: Orange**

| Schedule 5b: LHCSA Service Statistics | | Private Pay | | |
|---|---|---|---|---|
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours |
| | | 016 | 017 | 018 |
| Direct Care | | | | |
| PC: Level I | 001 | 100 | | 2000 |
| PC: Level II | 002 | 200 | | 5000 |

**Schedule 7b LHCSA County: Orange**

| Schedule 7b: LHCSA Current Charge to the General Public | | Unit of Service | Current Charge to the General Public |
|---|---|---|---|
| | | | 001 |
| Direct Care | | | |
| Level I | 001 | Hours | 2000 |
| Level II | 002 | Hours | 0 |

**In this example, a warning message will appear as the agency reported Private Pay statistics on Schedule 5b for Orange county for PC: Level II, but no corresponding Private Pay statistics were reported on Schedule 7b for Orange county for PC: Level II.**



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# Future cost report year updates (continued)

## 2025 Tool updates

- ***General Questionnaire tab updates***

- ***General Questionnaire item updates:*** DOH has approved a few updates to the items within the General Questionnaire tab for the 2025 Cost Report year, including adding an item, and updating another item.
  - Question G.4 will be **updated** to ask agencies if they have Audited Financial Statements and, if yes, to provide the name of the financial statement auditor, as depicted below.

**Updated question G.4 in the General Questionnaire**

Question: **G.4**

For the 2024 cost report year and for the 12 months prior, were there any internal or external audits or reviews performed on your agency?

**Yes, the audits/reviews 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).

**n/a**

Does your agency have audited financial statements?

**Yes**

If yes, please provide the name of the financial statement auditor.

**Danex Financial Audits, LLC**

**New question to G.4**

# Future cost report year updates (continued)

## 2025 Tool updates

- ***General Questionnaire tab updates***
- Question G.15 will be **updated** from the General Questionnaire tab beginning in the 2025 cost report year to include a drop-down list of reports submitted by providers to DOH, as depicted below.

**Updated question G.15 in the General Questionnaire**

Question: G.15

Does your agency submit any other data or reports to DOH that requests similar information to the Home Care Cost Report?

(selected) Yes

No

If yes, please provide the name of the report or data submitted and approximate due date

| Drop-down menu of reports |
|---|
| Statewide Certified Home Health Care Agency (CHHA) and Long-Term Home Health Care Program (LTHHCP) Annual Statistical Report |
| Licensed Home Care Services Agency (LHCSA) Statistical Report |
| Assisted Living Program (ALP) Licensed Home Care Services Agency (LHCSA) Statistical Report |
| Health Electronic Response Data System (HERDS) Survey |
| (PCP) Health Facility Cash Assessment Program Reporting Form for Personal Care Service Provider |
| (LTHHCP) Health Facility Cash Assessment Program Reporting Form for Article 36 Long Term Home Health Care Provider |
| (CHHA) Health Facility Cash Assessment Program Reporting Form for Article 36 Certified Home Health Agency |
| New York Residential Health Care Facility (RHCF) Medicaid Cost Report (RHCF-2/4) |
| Nursing Home Transition and Diversion (NHTD)/Traumatic Brain Injury (TBI) Waiver Cost Report |
| Other |

Easier to answer with a new drop-down menu.

**NOTE: This screenshot shows a preliminary list and may appear differently in the 2025 Home Care Cost Report.**

# Future cost report year updates (continued)

## 2025 Tool updates

- ***General Questionnaire tab updates***
- Question G.19 will be **added** in the 2025 Cost Report year relating to the New York State (NYS) Health Systems agencies are affiliated with, as depicted below.

New Question for 2025

| New Question G.19 in the General Questionnaire |
|---|
| Question G.19<br>Does the agency belong to, or is it affiliated with, any New York State health system?<br>If yes, please select the applicable NYS hospital or provider system(s) from the list below. |

| Drop-down menu of NYS Health Systems |
|---|
| Montefiore Health System (AKA Montefiore Medical Center - Health System) |
| Mount Sinai Health System (FKA Mount Sinai Medical Center) |
| NewYork-Presbyterian Healthcare System |
| Northwell Health (AKA North Shore Long Island Jewish Health System) |
| NYC Health and Hospitals (FKA New York City Health and Hospitals Corporation) |
| Rochester Regional Health System |
| University of Rochester Medical Center (AKA UR Medicine) |
| VA New York/New Jersey VA Health Care Network - VISN 2 (FKA VA Health Care Upstate New York) |
| Westchester Medical Center Health Network |

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy tab updates***

- ***Reporting Hierarchy item updates:*** DOH has approved a few updates to the items within the Reporting Hierarchy tab for the 2025 Cost Report year, including adding new columns to the entity-level questions and updating an existing question. These are described below and on the following slides.
  - Question I.3 will be **updated** by adding a popup message for providers who need to submit a Budgeted Projection Statement, as depicted below.

**Updated question I.3 within the Reporting Hierarchy**

Question: I.3

Is your agency seeking a Medicaid FFS rate from the NYS DOH for a county or operating certificate where it has not previously received a rate?

- (selected) Yes, and I will complete a Budgeted Projection Statement to receive a budgeted projection from the NYS DOH instead of completing the regular cost report for those specific count(ies) or operating certificate(s) where a rate was not previously calculated and provided by DOH. I will reach out to PersonalCare-Rates@health.ny.gov or CHHA-Rates@health.ny.gov to begin that process. I will proceed with the regular cost report for all other count(ies) or operating certificate(s) where rates have been previously established.
- No

**If the agency selects "yes," the following message will appear on the screen.**

Please note that you have selected "Yes" to question I.3, indicating that your agency will complete a Budgeted Projections Statement. If this is correct, please reach out to PersonalCare-Rates@health.ny.gov to begin that process. If this was selected in error, please change the response to "No" at question I.3 and proceed with the Cost Report submission process.

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy tab updates***
  - A new column will be added to items I.5, I.6, and I.7 that asks agency's if they provided services in the calendar year for the specific entity, as depicted below.

**New column added to item I.5, I.6, and I.7 within the Reporting Hierarchy tab**

| Name of Entity | Type | Address | City | State | Zip | County Served | MMIS ID Number | Locator Code | License Number | Did the agency provide services in the calendar year? | Direct Care Standard Hours Per Week | Program Administration Standard Hours Per Week | Period From | Period To |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| test lhcsa 1 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | Yes | 1.00 | 1.00 | January | December |
| test lhcsa 2 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | No | 1.00 | 1.00 | January | December |

Information button language:

"This column is used to indicate whether there were costs and statistics to report for this specific entity during the given cost reporting year. The agency should report all entities operated by the agency in the Reporting Hierarchy here, even when no services are provided in a given year. If the agency did not provide any services for a given entity, the agency will not be required to complete cost report schedules for those entities."

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy tab updates***
  - A new column will be added to items I.5, I.6, and I.7 that asks agency's if they provided **nonreimbursable** services **only** in the calendar year for the specific entity, as depicted below.

New column added to item I.5, I.6, and I.7 within the Reporting Hierarchy tab

| Name of Entity | Type | Address | City | State | Zip | County Served | MMIS ID Number | Locator Code | License Number | Did the agency provide services in the calendar year? | Did the agency provide nonreimbursable services only? | Direct Care Standard Hours Per Week | Program Administration Standard Hours Per Week |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| test lhcsa 1 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | Yes | No | 1.00 | 1.00 |
| test lhcsa 2 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | No | Yes | 1.00 | 1.00 |

Information button language:

"This column is used to indicate whether the agency operated any 'Nonreimbursable Only' entities in the calendar year. The agency should report all entities operated by the agency; however, for these entities if you select "Yes"" no reimbursable costs should be reported for that entity. If reimbursable costs are entered, a warning message will appear, preventing submission of the Home Care Cost Report. Please refer to the Home Care Cost Report Instructions for a chart listing nonreimbursable services.."

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy tab updates***
  - Questions I.6 and I.7 will be **updated** to add a new column for LHCSA and FI entities to indicate the agency's billing type, as depicted below.

New column added to item I.6 and I.7 within the Reporting Hierarchy tab

| Name of Entity | Type | Address | City | State | Zip | County Served | MMIS ID Number | Locator Code | License Number | Did the agency bill FFS/MC/Both/Neither? | Did the agency provide services in the calendar year? | Did the agency provide nonreimbursable services only? | Program Administration Standard Hours Per Week |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| test lhcsa 1 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | FFS | No 1.00 | Yes 1.00 | 1.00 |
| test lhcsa 2 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | Both | Yes 1.00 | No 1.00 | 1.00 |

# Future cost report year updates (continued)

## 2025 Tool updates

- *Reporting Hierarchy tab updates*
  - The National Provider Identifier (NPI) field will be added to Question I.1, as depicted below. The NPI number will be pre-populated based on agency name matching when available. If the NPI is pre-populated, agencies will be required to confirm that it is correct. If an NPI is not pre-populated, agencies must enter the NPI if one has been assigned.

**Updated question I.1 within the Reporting Hierarchy**

Question: I.1

Please provide the following general information about the home care agency.

Name of Agency

Test Organization 2

Alternative agency name or DBA

Test Org 2

Federal Tax ID

123456789

National Provider Identifier

1004581203

Is the NPI number correct?

- Yes
- No (selected)

Agency Type

- Proprietary (selected)
- Voluntary
- Public

**If the agency answers "no" to the verification question, a sub question should appear as I.1a that asks the agency to provide the correct NPI number.**

**This example shows the NPI added as an area at item I.1 within the Reporting Hierarchy tab. The 10-digit NPI number will auto-populate.**



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# Future cost report year updates (continued)

## 2025 Tool updates

- ***Reporting Hierarchy tab updates***
  - Three columns will be removed from questions I.5, I.6, and I.7, as these columns were determined to be unnecessary. See the below image.

Question: **I.6**

For each of the LHCSA entities operated by the above agency, please add a row with the requested information:

*If an agency does not operate any LHCSA entities, please skip this question.*

*For the "Period From" and "Period To" items, please enter the period during the 2024 cost report year in which the entity was operated by your agency. If your agency operated the entity for the entire 2024 cost report year, you should indicate January as the "Period From" and December as the "Period To." If your agency operated the entity for only a portion of the 2024 cost report year (e.g., from a mid-year acquisition), you should only report the period which the entity was operated by your agency (e.g., July as the "Period From" and December as the "Period To").*

| | REMOVE | | | | | | | | | REMOVE | REMOVE | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of Entity | Type | Address | City | State | Zip | County Served | MMIS ID Number | Locator Code | License Number | Direct Care Standard Hours Per Week | Program Administration Standard Hours Per Week | Period From | Period To | Name | Title | Phone | E-Mail Address | Actions |
| test lhcsa 1 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | 1.00 | 1.00 | January | December | x | x | x | x | |
| test lhcsa 2 | Proprietary | x | x | x | x | Bronx | 12345698 | | x | 1.00 | 1.00 | January | December | x | x | x | x | |

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Financial Reconciliation updates***

- ***Financial Reconciliation item updates:*** DOH approved updates within the Financial Reconciliation tab for the 2025 Cost Report year, including the automatic flow of data from the Total Agency Operating Expenses (Row 015) on Schedule 19 (eliminating manual entry of this amount in the Financial Reconciliation tab), adding a new check to require agencies to resolve any variance greater than 5% between the Total Operating Expenses from Schedule 19 and the Total Entity Costs reported on Schedule 3. The Financial Reconciliation tab will populate once both Schedule 3 and Schedule 19 are completed. Agencies will continue to enter any applicable reconciling items within the tab, as needed.

Data will flow from the Total Agency Operating Expenses (Row 015) on Schedule 19, thereby eliminating manual entry.

| Financial Statement Reconciliation | | | | | |
|---|---|---|---|---|---|
| Total expenses per CY 2024 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 | 2024 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 | 2024 Dollar Value | Additional Comments |
| Sum of reconciling items included in Financial Documentation, but not in the data reported on Schedule 3 | | | | $0.00 | |
| Sum of reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation | | | | $0.00 | |
| Total expenses adjusted for reconciling items | | | | $0.00 | |
| Total entity costs per Schedule 3 of Cost Report Schedules tab | | | | $93,425,514.60 | |
| Unreconciled dollar value | | | | ($93,425,514.60) | |
| Unreconciled percentage | | | | 0.00 % | |

Agencies will be required to resolve variances exceeding 5% between the Total Operating Expenses from Schedule 19 and the Total Entity Costs reported on Schedule 3.

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# Future cost report year updates (continued)

## 2025 Tool updates

- *Cost Report Submission tab updates*

- ***Cost Report Submission item updates:*** DOH has approved updates to the Cost Report Submission tab for the 2025 Cost Report year, including moving the submission error message (which appears when required fields are incomplete and the agency is unable to submit the report) to the top of the page and make it red for agencies to more readily see the outstanding warning messages.

**Outstanding Warning Messages will be more visible**

Instructions | Frequently Asked Questions (FAQ) | Reporting Hierarchy | Cost Report Schedules | Financial Reconciliation | General Questionnaire | **Cost Report Submission** | Documentation Requests | Extensions | Milestone Extensions

Adjusted Cost Report Schedules | Contact Information | Audit / Questions | Communications | Agency's Audit Representation | Engagement Milestones | Agendas | Provider Questions | Reporting

Your Cost Report is not complete. Please complete the Cost Report Schedules section (including the questionnaires on each schedule) and the General Questionnaire before submitting.

| Home Care Cost Report | **Reporting Period**<br>From: 1/1/2024<br>To: 12/31/2024 | Date:<br>Time: |
|---|---|---|
| | **Agency Certification** | |

There is a discrepancy between one of the General Questionnaire responses and Cost Report Schedules tab. Please review the below information before submitting the Home Care Cost Report and make any necessary updates within the "Cost report schedules" tab and/or "General Questionnaire" tab.

The statistical data reported in Columns 001-006 of Schedule 5 is not consistent with the response to G.14 in the General Questionnaire tab. Please review the patients and units of service reported under the Medicaid columns on Schedule 5 to confirm whether they are reported in the appropriate payor source category and are consistent with your response to G.14 using the helpful information below:

- Please review the below information related to Medicaid Fee-for-Service and Medicaid Managed Care before completing Schedule 5a.1, Schedule 5a.2, Schedule 5b, and/or Schedule 5c.
  - For Medicaid Fee-for-Service, New York State provides direct reimbursement for the services provided (i.e., you receive a check or direct deposit from New York State).
  - For Medicaid Managed Care, reimbursement is provided through contracts that providers have with MLTCs/MCOs (e.g., Empire, BlueCross, AgeWell, Aetna Better Health, etc.).
- If your agency provided Medicaid FFS services in the calendar year being reported, data should be reported in Columns 001-003 of Schedule 5 (a, b, or c, depending on the entity type that provided the services).
- If your agency provided Medicaid MC services in the calendar year being reported, data should be reported in Columns 004-006 of Schedule 5 (a, b, or c, depending on the entity type that provided the services).

For additional instructions on Schedule 5 reporting, please review pages 28-33 of the Home Care Cost Report Instructions. Please note you are required to correct this error so that all entity tables have statistics entered before submitting the Home Care Cost Report.

The entity types reported in section I.3 of the Reporting Hierarchy should match the entity types reported in the question G.14 of the General Questionnaire. These entity types do not currently match on your cost report submission. Please note that your are required to correct this error before submitting the Home Care Cost Report.

# Future cost report year updates (continued)

## 2025 Tool updates

- ***Platform View updates***

- DOH and KPMG are implementing a new Tool platform view for the 2025 Cost Report year. The structure is intended to improve provider usability.
  - A demonstration of the new platform will be provided during the Kickoff webinar in June, and providers will have the opportunity to ask further questions.

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New York State Department of Health
Home Care
Test Organization 2
Print · Select new organization · Log out

Dashboard
Audit Information
Getting Started
Kick Off Guide
Audit Webinar
Frequently Asked Questions
Communication
Documentation
Questionnaire
Data
Administration

Kick Off Guide
Edit

Audit Kickoff Guide

Purpose of This Guide
This guide serves to help you get started with your Health Care Reform Act (HCRA) and/or Health Facility Cash Assessment Program (HFCAP) audit by providing you with steps on how to use the audit tool and where to find support throughout the audit process.

Guide Overview
This document covers the following key topics:
- A summary of what you've received so far and your immediate action items following receipt of your Audit Notification Letter (ANL).
- Tips for navigating and using the audit tool efficiently and required attestation.
- Requirements for data submissions and objectives of review.
- Best practices to help you stay organized and on track.
- Guidance on where to get help and answers to common questions.

Initial Communications
At this point, you have received your ANL and audit tool login credentials from KPMG's audit mailbox. If you have not already, please review your ANL and determine who from your agency will serve as the primary point(s) of contact working with KPMG throughout the audit.

Additionally, if you have not already received an introductory email from your KPMG audit team, please be on the look out over the next few days. Your

# Closing remarks and next steps

# Closing remarks and next steps

## Closing remarks

DOH and KPMG would like to thank all Home Care providers that participated in the 2024 Home Care Cost Report submission and audit process. We look forward to continuing to work with the NYS Home Care agencies as we approach the 2025 Home Care Cost Report process.

## Next steps

- DOH and KPMG have begun preparing for the 2025 Home Care Cost Report submission and audit process. The 2025 submission launch date has not yet been finalized, but the cost report will likely open by **early June**.
  - Once determined, a communication will be distributed to providers with the relevant dates and timeline for the 2025 Home Care Cost Report activities. Please be on the lookout for communications from DOH (HomeCare.Report@health.ny.gov; CHHA-Rates@health.ny.gov; and PersonalCare-Rates@health.ny.gov) and KPMG (us-advrisknyshc@kpmg.com) regarding the launch of the 2025 Home Care Cost Report. These communications will include:
    - The kickoff date and timeline for the submission of the cost report
    - The kickoff webinar information
- If your agency requires any additional contributors to be added to the web-based tool prior to the launch, please reach out to us-advrisknyshc@kpmg.com with the agency name and names and emails of the new contributors needing to be added.



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# Q&A period

# Q&A Period

# Thank you

# Appendix: Recurring lessons learned from previous audits

# Reporting costs on Schedules 3 and 4

| Common errors | Lessons learned |
|---|---|
| • There were several instances where agencies incorrectly reported medical supply expenses (e.g., gloves and masks) as program administration costs on Schedules 3 and 4 instead of as direct care costs. | • All medical supply expenses (e.g., gloves and masks) are considered direct care costs and should be reported within the “Program Aide (Direct Care)” Column (005) on Schedules 3 and 4.<br>• Supplies and materials should be broken out into two separate rows on Schedule 4, row 014 “Office Supplies & Materials” and row (018) “Medical Supplies” to clarify the proper reporting locations of administrative versus medical supplies. |

***Schedule 4***

| Schedule Totals (sum of all like columns from each table) | | Program Administration | Direct Care Non-personnel Costs |
|---|---|---|---|
| | | 13,725,440 | |

| LHCSA Name | Abc | | |
|---|---|---|---|
| LHCSA County | Dutchess | | |
| | | Program Administration | Direct Care Non-personnel Costs |
| | | 001 | 002 |
| GENERAL SERVICE COST CENTERS | | | |
| Criminal Background Check & Fingerprinting | 001 | 0.00 | |
| Capital Related - Building & Fixtures | 002 | 0.00 | |
| Capital Related - Movable Equipment | 003 | 189.00 | |
| Plant Operations & Maintenance | 004 | 5,802.00 | |
| Rent-Building | 005 | 22,653.00 | |
| Rent-Furnishings | 006 | 1,377.00 | |
| Rent-Vehicles | 007 | 0.00 | |
| Interest-Property | 008 | 0.00 | |
| Depreciation-Plant | 009 | 0.00 | |
| Depreciation-Equipment & Furnishings | 010 | 7,520.00 | |
| Depreciation-Vehicles | 011 | 0.00 | |
| Transportation | 012 | 9,664.00 | |
| Utilities | 013 | 8,998.00 | |
| Office Supplies & Materials | 014 | 7,248.00 | |
| Insurance | 015 | 44,192.00 | |
| Administration & General | 016 | 1,036,704.00 | |
| Employee physicals/uniforms/immunizations | 017 | 0.00 | |
| Medical Supplies | 018 | 0.00 | 0.00 |
| Other | 019 | 0.00 | 0.00 |
| GRAND TOTAL | 020 | 1,144,347.00 | |

# Reporting costs on Schedules 3 and 4 (continued)

## Common errors

- There were several instances where agencies incorrectly reported medical supply expenses (e.g., gloves and masks) as program administration costs on Schedules 3 and 4 instead of as direct care costs.

## Lessons learned

- All medical supply expenses (e.g., gloves and masks) are considered direct care costs and should be reported within the "Program Aide (Direct Care)" Column (005) on Schedules 3 and 4.
- Supplies and materials should be broken out into two separate rows on Schedule 4, row 014 "Office Supplies & Materials" and row (018) "Medical Supplies" to clarify the proper reporting locations of administrative versus medical supplies.

***Schedule 4***

| Schedule Totals (sum of all like columns from each table) | | Total Entity Costs (002 + 003) | Non-Allowable Costs (Adjustment to Expense) | Allowable Costs (Sum of 004 through 010) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1,510,000 | 40,000 | 1,470,000 | 1,470,000 | | | | | | |

| LHCSA Name | LHCSA 1 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | Albany | | | | | | | | | | |
| | | Total Entity Costs (002 + 003) | Non-Allowable Costs (Adjustment to Expense) | Allowable Costs (Sum of 004 through 010) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 |
| GENERAL SERVICE COST CENTERS | | | | | | | | | | | |
| Criminal Background Check & Fingerprinting | 001 | 10,000 | 0 | 10,000 | 10,000 | | | | | | |
| Capital Related - Building & Fixtures | 002 | 0 | | 0 | | | | | | | |
| Capital Related - Movable Equipment | 003 | 0 | | 0 | | | | | | | |
| Plant Operations & Maintenance | 004 | 200,000 | | 200,000 | 200,000 | | | | | | |
| Rent-Building | 005 | 200,000 | | 200,000 | 200,000 | | | | | | |
| Rent-Furnishings | 006 | 0 | | 0 | | | | | | | |
| Rent-Vehicles | 007 | 0 | | 0 | | | | | | | |
| Interest-Property | 008 | 0 | | 0 | 0 | | | | | | |
| Depreciation-Plant | 009 | 10,000 | 10,000 | 0 | | | | | | | |
| Depreciation-Equipment & Furnishings | 010 | 0 | | 0 | 0 | | | | | | |
| Depreciation-Vehicles | 011 | 0 | | 0 | | | | | | | |
| Transportation | 012 | 30,000 | | 30,000 | 30,000 | | | | | | |
| Utilities | 013 | 0 | | 0 | 0 | | | | | | |
| Office Supplies & Materials | 014 | 0 | | 0 | 0 | | | | | | |
| Insurance | 015 | 0 | | 0 | 0 | | | | | | |
| Administration & General | 016 | 1,030,000 | 30,000 | 1,000,000 | 1,000,000 | | | | | | |
| Employee physicals/uniforms/immunizations | 017 | 0 | | 0 | 0 | | | | | | |
| Medical Supplies | 018 | 30,000 | | 30,000 | 30,000 | | | | | | |
| Other | 019 | 0 | 0 | 0 | | | | | | | |
| GRAND TOTAL | 020 | 1,510,000 | 40,000 | 1,470,000 | 1,470,000 | | | | | | |

# Reporting costs on Schedules 3 and 4 (continued)

| Common errors | Lessons learned |
|---|---|
| • There were instances where taxes and benefits were not allocated between program administration and direct care workers. Rather, the agencies lumped these costs in one group or the other. | • Taxes and benefits should be allocated across direct care and program administration workers and reported in the Direct Care (006 and 007) and Program Administration (005) columns, respectively. |
| • Some agencies incorrectly reported bad debt as a reimbursable cost (resulted in a Finding).<br>• Other agencies reported bad debt as a nonreimbursable cost (resulted in an Observation). | • Bad debt should be treated as an offset to revenue. Therefore, bad debt should not be reported with costs on Schedule 3 or Schedule 4. |
| • Some agencies incorrectly reported meal expenses and advertising costs (for the purposes of attracting patients) as reimbursable. | • Meal expenses and advertising costs (for the purposes of attracting patients) are nonreimbursable costs and should be reported in Column 002 on Schedule 3 and Schedule 4. |



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# Reporting of service statistics on Schedule 5

| Common errors | Lessons learned |
|---|---|
| • There was confusion regarding how Medicaid Fee-for-Service and Medicaid Managed Care statistics should be allocated and reported on Schedule 5. | • Before reporting Medicaid statistics on Schedule 5, agencies should review the services they provide to understand the difference between Medicaid Fee-for-Service and Medicaid Managed Care. Helpful tips include the following:<br>- Review all data fields in system-generated statistical reports, such as HHAeXchange. Many of these reports identify the source of admission.<br>- Understand the source of your Medicaid reimbursement. Direct reimbursement from New York State relates to Fee-for-Service, while reimbursement from MCOs/MLTCs relates to Managed Care.<br>• Fully review and understand the structure of the Medicaid section of Schedule 5. There are columns created for Fee-for-Service and Managed Care. It is critical that statistics are reported properly in these locations as they have a direct impact on reimbursement. |

| LHCSA Name | | Example LHCSA | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | County #1 | | | | | | | | |
| | | Medicaid | | | | | | | | |
| | | FFS | | | MC | | | Total Medicaid (FFS + MC) | | |
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 |
| Direct Care | | | | | | | | | | |
| PC: Level I | 001 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| PC: Level II | 002 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| PC: Level II - Hard to Serve | 003 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| Live-in | 004 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Nursing Supervision | 005 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Nursing Assessment | 006 | 1.00 | 1.00 | | 1.00 | 1.00 | | 2.00 | 2.00 | 0.00 |
| Shared Aide: Level I | 007 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| Shared Aide: Level II | 008 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| Subtotal (reimbursable services) | 009 | 8.00 | 3.00 | 5.00 | 8.00 | 3.00 | 5.00 | 16.00 | 6.00 | 10.00 |
| Other Non-Reimbursable Services | 010 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Subcontractor Services | 011 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| Home Health Aide | 012 | 1.00 | | 1.00 | 1.00 | | 1.00 | 2.00 | 0.00 | 2.00 |
| GRAND TOTAL | 013 | 11.00 | 5.00 | 8.00 | 11.00 | 5.00 | 8.00 | 22.00 | 10.00 | 16.00 |

# General cost reporting

| Common errors | Lessons learned |
|---|---|
| • There were several instances where agencies **did not report the accurate number of entities** within section I.3 of the Reporting Hierarchy tab within the web-based tool. | • Agencies should report all CHHA, LHCSA, and FI entities they operated under one Federal Tax-ID in a given year, in Question I.3 of the Reporting Hierarchy.<br>• If an entity was not in operation during the cost report year being reported or provides home care services that are not required to be submitted (e.g., Private-pay only, etc.) then the entity is not required to be reported. However, the agency must provide an explanation for why the entity was omitted from the cost report and provide a reconciliation of its total expenses that includes the nonreported entities in the Financial Reconciliation tab of the Tool.<br>- **Agencies that operate CHHA entities should be reporting entities based on the Operating Certificate.**<br>- **Agencies that operate LHCSA and FI entities should be reporting entities based on the county served and not the office location.**<br>• All entities reported in the cost report should have data reported within each entity-level schedule. |

***Reporting Hierarchy Tab***

Question: I.3

Please enter the total quantity of CHHA, LHCSA, and FI entities operated by the above agency.

*If an agency does not operate any of the below entity types, please enter a value of 0.*

CHHA

0

LHCSA

8

FI

8

# Reporting of contracted services (direct care)

| Common errors | Lessons learned |
| --- | --- |
| • There were instances where agencies reported direct care contracted services incorrectly on Schedule 3 or omitted them entirely from the cost report. | • The agency acting as the subcontractor should report the expenses they incurred performing the direct care services (e.g., paying the direct care worker for the hours worked providing the service, transportation for the worker to get to the patient to provide the subcontractor services, etc.) in the “Subcontractor Services” row (011) in the “Program Aide (Direct Care)” Column (006) on Schedule 3.<br>• The agency contracting out the direct care services should report the costs they incurred purchasing the service (e.g., the amount they paid the subcontractor) in the “Contracted Purchased Services” Column (010), within the applicable service type row on Schedule 3. |

**Note: Examples of the reporting contracted services are included on the following slides.**

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# Reporting of contracted services (Direct care) (continued)

**Proper reporting for the agency acting as the subcontractor for the provision of direct care services on Schedule 3:**

| LHCSA Name | | Abc | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Westchester | | | | | | | | | | |
| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 004 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care | | | | | | | | | | | | |
| PC: Level I | 001 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| PC: Level II | 002 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| PC: Level II - Hard to Serve | 003 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Live-in | 004 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Supervision | 005 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Assessment | 006 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level I | 007 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level II | 008 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| **Subtotal (reimbursable services)** | 009 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| Subcontractor Services | 011 | 2,000.00 | | | 2,000.00 | | 2,000.00 | | | | | |
| Home Health Aide | 012 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| GRAND TOTAL | 013 | 2,000.00 | | | 2,000.00 | | 2,000.00 | | | | | |

# Reporting of contracted services (Direct care) (continued)

**Proper reporting for the agency contracting direct care services on Schedule 3:**

| LHCSA Name | Abc | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | Westchester | | | | | | | | | | | |
| | | Total Entity Costs (002 + 003 + 004) | Non-Reimbursable Costs (Adjustment to Expense) | Non-Reimbursable WR&R Costs | Total Reimbursable Costs (Sum of 004 through 011) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 | 011 |
| Direct Care | | | | | | | | | | | | |
| PC: Level I | 001 | 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 2,000.00 | 0.00 |
| PC: Level II | 002 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| PC: Level II - Hard to Serve | 003 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Live-in | 004 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Supervision | 005 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Nursing Assessment | 006 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level I | 007 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level II | 008 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| **Subtotal (reimbursable services)** | 009 | **2,000.00** | **0.00** | **0.00** | **2,000.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **2,000.00** | **0.00** |
| Other Non-Reimbursable Services | 010 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| Subcontractor Services | 011 | 0.00 | | | 0.00 | | 0.00 | | | | | |
| Home Health Aide | 012 | 0.00 | 0.00 | | 0.00 | | | | | | | |
| GRAND TOTAL | 013 | 2,000.00 | | | 2,000.00 | | | | | | 2,000.00 | |

# Reporting service statistics on Schedule 5

| Common errors | Lessons learned |
| --- | --- |
| • Several agencies did not report all service statistics on Schedule 5. | • Service statistics should be reported on Schedule 5 regardless of whether reimbursement was received.<br>– **NOTE: Services that are not billed under your Agency's specific contracts (i.e., Nursing Supervision/Nursing assessment services, etc.) should continue to be excluded from Schedule 5 as no separate rate would be calculated for them.**<br>• If costs are reported for nonreimbursable services on Schedule 3, statistics for those nonreimbursable services should be reported within the "Other Non-Reimbursable services" row on Schedule 5.<br>• If patients received a particular service type, costs should be allocated to that service type on Schedule 3 and statistics should be reported on Schedule 5. Therefore, all service type rows with allocated costs on Schedule 3 should have corresponding statistics reported on Schedule 5 for each entity. See example below.<br>– **The cost per unit (CPU) columns on Schedule 5 (Columns 026 and 027) are useful in checking whether costs and/or units of service were entered correctly.** |

# Reporting consistent costs and service statistics on

## Common errors

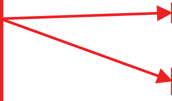
- Several agencies incorrectly reported costs for service types on Schedule 3 that did not have any statistics reported on Schedule 5, or vice versa.

## Lessons learned

- If patients received a particular service type, costs should be allocated to that service type on Schedule 3 and statistics should be reported on Schedule 5. Therefore, all service type rows with allocated costs on Schedule 3 should have corresponding statistics reported on Schedule 5 for each entity. See example below.
  - **NOTE: The cost per unit (CPU) columns on Schedule 5 (Columns 026 and 027) are useful in checking whether costs and/or units of service were entered correctly.**

***Schedule 3***

| LHCSA Name | | LHCSA 1 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Albany | | | | | | | | | |
| | | Total Entity Costs (002 + 003) | Non-Allowable Costs (Adjustment to Expense) | Allowable Costs (Sum of 004 through 010) | Program Administration | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 | 010 |
| Direct Care | | | | | | | | | | | |
| PC: Level I | 001 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| PC: Level II | 002 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| PC: Level II - Hard to Serve | 003 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | |
| Live-in | 004 | 460,000 | 10,000 | 450,000 | 50,000 | 400,000 | 0 | | | 0 | |
| Nursing Supervision | 005 | 0 | 0 | 0 | | | | | | | |
| Nursing Assessment | 006 | 0 | | 0 | | | | | | | |
| Shared Aide: Level I | 007 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | |
| Shared Aide: Level II | 008 | 150,000 | 0 | 150,000 | 100,000 | | 50,000 | | | | |
| Other non-allowable services | 009 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| GRAND TOTAL | 010 | 610,000 | 10,000 | 600,000 | 150,000 | 400,000 | 50,000 | | | | |



Costs of Live-In services reported in Row 004 and costs of Shared Aide: Level II reported in Row 008 on Schedule 3 correspond to Live-In service statistics reported in Rows 004 and Shared Aide: Level II service statistics reported in Row 008 on Schedule 5.

***Schedule 5***

| LHCSA Name | | Abc | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| LHCSA County | | Dutchess | | | | | | | | |
| | | Medicaid | | | | | | | | |
| | | FFS | | | MC | | | Total Medicaid (FFS + MC) | | |
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours |
| | | 001 | 002 | 003 | 004 | 005 | 006 | 007 | 008 | 009 |
| Direct Care | | | | | | | | | | |
| PC: Level I | 001 | 1.00 | | 0.00 | 1.00 | | 56.00 | 2.00 | 0.00 | 56.00 |
| PC: Level II | 002 | 237.00 | | 155,504.00 | 237.00 | | 155,504.00 | 474.00 | 0.00 | 311,008.00 |
| PC: Level II - Hard to Serve | 003 | 2.00 | | 2,249.00 | 2.00 | | 2,249.00 | 4.00 | 0.00 | 4,498.00 |
| Live-in | 004 | 16.00 | 3,407.00 | | 16.00 | 3,407.00 | | 32.00 | 6,814.00 | 0.00 |
| Nursing Supervision | 005 | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 |
| Nursing Assessment | 006 | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level I | 007 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Shared Aide: Level II | 008 | 0.00 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal (reimbursable services) | 009 | 256.00 | 3,407.00 | 157,753.00 | 256.00 | 3,407.00 | 157,809.00 | 512.00 | 6,814.00 | 315,562.00 |
| Other Non-Reimbursable Services | 010 | | | | | | | 0.00 | 0.00 | 0.00 |
| Subcontractor Services | 011 | | | | | | | 0.00 | 0.00 | 0.00 |
| Home Health Aide | 012 | | | | | | | 0.00 | 0.00 | 0.00 |
| GRAND TOTAL | 013 | 256.00 | 3,407.00 | 157,753.00 | 256.00 | 3,407.00 | 157,809.00 | 512.00 | 6,814.00 | 315,562.00 |

| | | Dual-eligible | | | Medicare | | | Private Pay | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients | Units of Service: Visits/Days | Units of Service: Hours | Patients |
| | | 010 | 011 | 012 | 013 | 014 | 015 | 016 | 017 | 018 | 019 |
| Direct Care | | | | | | | | | | | |
| PC: Level I | 001 | | | | | | | | | | |
| PC: Level II | 002 | | | | | | | 7.00 | | 3,202.00 | |
| PC: Level II - Hard to Serve | 003 | | | | | | | | | | |
| Live-in | 004 | | | | | | | 2.00 | 236.00 | | |
| Nursing Supervision | 005 | | | | | | | 3.00 | 3.00 | | |
| Nursing Assessment | 006 | | | | | | | 7.00 | 13.00 | | |
| Shared Aide: Level I | 007 | | | | | | | 0.00 | | | |
| Shared Aide: Level II | 008 | | | | | | | 0.00 | | | |
| Subtotal (reimbursable services) | 009 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 19.00 | 252.00 | 3,202.00 | 0.00 |
| Other Non-Reimbursable Services | 010 | | | | | | | | | | |
| Subcontractor Services | 011 | | | | | | | | | | |
| Home Health Aide | 012 | | | | | | | | | | |
| GRAND TOTAL | 013 | | | | | | | 19.00 | 252.00 | 3,202.00 | |

# Audit process

## Common errors

- In some instances, agencies did not submit their cost report adjustments within the “Adjusted Cost Report Schedules” tab of the Tool or approve/deny the audit team to make minor adjustments on their behalf within the timeframe communicated by the audit team.

## Lessons learned

- Agencies should make adjustments by the due date requested by the audit team within the “Adjusted Cost Report Schedules” tab of the Tool or request a reasonable extension. Additionally, agencies should approve or deny audit teams making minor adjustments within a timely manner.
- For both minor and complex adjustments, agencies will be required submit the “Adjusted Cost Report Schedules” tab once the adjustments are made. To submit this tab, agencies will need to provide their sign-off on this tab that indicates that the adjustments are complete and accurate to the best of their knowledge.
  - Please note that if an agency approves adjustments made by the audit team, the agency will remain responsible for submitting the “Adjusted Cost Report Schedules” tab.

*Adjusted Cost report Schedules*

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 | Adjusted Cost Report Schedules | Contact Information | Audit / Questions | Data Representation | Engagement Status | Provider Questions | Reporting

**Adjusted Cost Report Submission**

In the Adjusted Cost Report schedules below, please execute the necessary adjustments to Agency ABC's original cost report submission. Once all adjustments have been entered, the Adjusted Cost Report Sche… tab must be submitted. Note that by submitting the Adjusted Cost Report Schedules, you are confirming the following:

I HEREBY CERTIFY THAT I HAVE EXAMINED THE INFORMATION CONTAINED IN THE ADJUSTED HOME CARE COST REPORT FOR THE PERIOD BEGINNING 1/1/2022 AND ENDING 12/31/2022, AND TH… F MY KNOWLEDGE AND BELIEF, IT IS A TRUE, CORRECT, AND COMPLETE STATEMENT PREPARED FROM THE BOOKS AND RECORDS OF THE AGENCY IN ACCORDANCE WITH APPLICABLE INSTRUCTIONS, EXCEPT AS NOTED.

Please provide the name and title of the official taking responsibility for the confirmation and associated submission. This individual should be an officer of the home care agency or a member of the ho… ement team, not a staff-level person or consultant.

Copy Cost Report Submission Schedules | Allow provider to adjust Cost Report Schedules here

Schedule 1 ✔
Schedule 2 ✔
Schedule 3b
Schedule 3c
Schedule 4b ✔
Schedule 4c ✔

**Schedule 1: General Inf…**

| | | 001 |
|---|---|---|
| Agency Information | | |
| Name of Agency | 001 | Agency ABC |
| Federal Tax ID | 002 | 123 |
| Agency Type (Proprietary, Voluntary, or Public) | 003 | Proprietary |
| Address Line 1 | 004 | 123 |

# Schedule 20 – Minimum Wage

| Common errors | Lessons learned |
| --- | --- |
| • Some agencies were unsure of the purpose of Schedule 20 and/or did not complete the schedule components correctly or entirely. | • The Minimum Wage Schedule 20 was added during the 2023 Home Care Cost Report year to leverage the existing infrastructure to collect information from Home Care providers required to comply with this Law. This add-on to the cost report was in lieu of potentially implementing an entirely new process to help test compliance with this Law.<br>• Schedule 20 requires agencies to report wage and hour information for a sample of 30 direct care hourly paid employees to help verify minimum wage requirements.<br>• Schedule 20 requires the completion of three sections:<br>1. **Minimum Wage Law Certification** – Agencies are required to submit the Minimum Wage Law Certification certifying their compliance with the New York State Minimum Wage Law § 3614f.<br>2. **Minimum Wage Questions** – Agencies are required to answer five questions about their employees, which are also intended to help agencies select their sample and complete the data entry portion of Schedule 20.<br>3. **Sample Data Entry** – Agencies are required to input data for each of the 30 employees into a table on Schedule 20.<br>– **NOTE:** The agency is permitted to self-select a sample of 30 employees to be entered within the schedule. **If the agency has fewer than 30 direct care hourly employees, the agency should complete the schedule for all direct care hourly employees paid by the agency. DOH may change the sample number in future years.** |

**A walkthrough of Schedule 20 is depicted on the following slides.**

# Schedule 20 – Minimum Wage (continued)

**Step One:**
Agencies are required to complete the Minimum Wage Law Certification.

**Minimum Wage Law Certification**

Public Health Law § 3614f increased the minimum wage for home care aides in New York State. According to the Law, "home care aide" means a home health aide, personal care aide, home attendant or other licensed or unlicensed person whose primary responsibility includes the provision of in-home assistance with activities of daily living, instrumental activities of daily living or health-related tasks; provided, however, that home care aide does not include any individual (i) working on a casual basis, or (ii) who is a relative through blood, marriage or adoption of: (1) the employer; or (2) the person for whom the worker is delivering services, under a program funded or administered by federal, state or local government.

Home care aides may be owed extra pay in addition to minimum wage rates for:

- Overtime - Home care aides must be paid 1½ times their regular rate of pay for weekly hours over 40 (or 44 for residential employees).
- Call-in pay - If home care aides go to work as scheduled and their employer sends them home early, they may be entitled to extra hours of pay at the minimum wage rate for that day.
- Spread of hours - If a home care aides workday lasts longer than ten hours, they may be entitled to extra daily pay. The daily rate is equal to one hour of pay at the minimum wage rate.
- Uniform maintenance - If home care aides clean their own uniform, they may be entitled to additional weekly pay.

The only time an employer may reduce wages below minimum wage is to claim a limited allowance for meals and lodging, provided they do not charge for those services. For additional information about the minimum wage for home care aides, please see the Home Care Aide Minimum Wage fact sheet (P105).

Using the options below, please certify whether your agency was in compliance with Public Health Law § 3614f Home Care Minimum Wage for the 2023 Cost Report Year. If your agency indicates that it was not in compliance, it must provide an explanation and provide a corrective action plan.

The Department requires that the certification be completed by an officer of the home care agency or a member of the home care agency's senior management team. It is strongly recommended that this individual be the agency's CEO, CFO, VP of Finance, or equivalent. Please provide the name and title of the official certifying compliance with the Minimum Wage Law.

Name: X

Title: X

Email Address: X

Please respond and submit:

- I certify that Test Organization 2 was in compliance with the New York State Minimum Wage Law § 3614f for the 2023 Cost Report Year.
- I certify that Test Organization 2 was in not compliance with the New York State Minimum Wage Law § 3614f for the 2023 Cost Report Year and provided the following explanation and corrective action plan.
- I certify that the New York State Minimum Wage Law § 3614f was not applicable to Test Organization 2 for the 2023 Cost Report Year and provided an explanation below. I also certify that Test Organization 2 did not have any direct care employees for any portion of the cost report year. This corresponds to our agency's data entries on Schedules 11 (wages) and 12 (hours).



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# Schedule 20 – Minimum Wage (continued)

**Step Two:**
Agencies are required to answer five questions about their employees.

**Minimum Wage Questions**

In accordance with section 4.(a) of Public Health Law § 3614f, the Department is authorized to request wages paid to home care aides, including individually identifiable data and payroll reports. Employers shall provide any documents or materials in the employer's possession to support or verify the employer's submission. Schedule 20 serves as the Department's request. This Schedule requires the reporting of wages and hours for a sample of 30 hourly paid (non-exempt) direct care employees. The agency may select the sample of employees. Information entered is subject to audit. Supporting documentation must be provided for 100% of the agency's employee population for the 2023 Cost Report Year along with the Cost Report submission, such as a detailed payroll register. If your agency did not employ at least 30 non-exempt direct care workers, please respond to question #1 accordingly and enter the requested information in Schedule 20 for all non-exempt direct care employees at your agency. Note that the sample size of 30 is subject to change at the discretion of the Department.

**Minimum Wage Questions**

Question: 1.

Did your agency employ at least 30 FTE or PTE direct care hourly paid employees during the 2023 Cost Report Year? (For CHHAs, this does not include Direct Care employees with a Job Type of "Nursing Supervision/Assessment," "Supervisor," "Home Health Registered Nurse," "Home Health Nutritionist/Dietician, "Home Health Speech Therapist, or "Home Health Social & Environmental Support Worker" as these are not available Job Types in the drop-down menu in Schedule 20.)

Question: 2.

In the sample of employees selected, did your agency include an employee who worked in two different minimum wage locations for this cost report year? If yes, please enter this employee on two separate rows with the same employee ID using the wages and hours from the two different minimum wage locations. One location includes employees who served New York City, Long Island, or Westchester and the second location includes employees who served the remainder of New York State.

Question: 3.

In the sample of employees selected, did your agency include an employee who worked for more than one Entity (CHHA, LHCSA, or FI) during this cost report year? If yes, please enter this employee on multiple row(s) with the same employee ID using the corresponding wages and hours from the different entities.

Question: 4.

In the sample of employees selected, did your agency include an employee who worked as more than one Direct Care Job Type for this cost report year? If yes, please enter this employee on multiple row(s) with the same employee ID using the corresponding wages and hours received from the different job type(s).

Question: 5.

According to the Home Care Aide Minimum Wage Fact Sheet published by the NYS Department of Labor, "the only time an employer may reduce wages below minimum wage is to claim a limited allowance for meals and lodging, provided they do not charge for those services." Does this statement apply to any of the sample of employees selected?

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# Schedule 20 – Minimum Wage (continued)

**Step Three:**
Agencies are required to input data for a sample of 30 employees.

Select the entity type for which the employee worked from the drop-down menu options. This information will be used to determine the options for the employee's Direct Care Job Type.

Enter the total base wages for the employee for the applicable cost report year.

The Tool automatically calculates the average hourly pay rate per employee using the employee's base wages and hours entered by the agency.

The Tool automatically estimates whether the agency paid minimum wage to the sample employee.

| Minimum Wage Cost Report Schedule 20: Sample of 30 Hourly (Non-Exempt) Direct Care Employees | | | | | | | | Minimum Wages | |
|---|---|---|---|---|---|---|---|---|---|
| No. | Unique Employee ID (no PII, e.g. SSNs) | Entity Type | Direct Care Job Type | Total Employee Base Wages (does not include OT, Call-in Pay, Spread of Hours Pay, or Uniform Maintenance Pay)<br>A | Total Employee Base Hours (does not include OT Hours)<br>B | Employee Average Hourly Pay Rate<br>C = A/B | Employee's Location | Was employee paid minimum wage? | Minimum Wage for Home Care Aides |
| 1 | | LHCSA | | | | | -- Select a type -- | | |
| 2 | | CHHA | | | | | -- Select a type -- | | |

Enter unique employee ID, which must be traceable to supporting documentation upon audit.

Select the employee job type from the drop-down menu options. The job types include the same Direct Care employee job types that appear throughout the schedules in the cost report based on entity type.

Enter the total base hours for the employee for the applicable cost report year.

Select the employee location from the drop-down menu options. The location will include two options: (1) New York City, Long Island, or Westchester; or (2) Remainder of New York State.

# Reporting costs on Schedules 3 and 4 – WR&R

## Common errors

- There were many instances where **agencies did not properly estimate and offset the WR&R** revenue received through the WR&R rate from their WR&R costs, and as a result, a portion of WR&R costs were incorrectly reported as reimbursable costs on Schedule 3.

**2024 Top Audit Finding**

## Lessons learned

- All WR&R costs covered by the WR&R rate should be reported as nonreimbursable costs in Column 003 on Schedule 3. Only WR&R costs in excess of the WR&R revenue received through the WR&R rate should be reported as reimbursable.
  - The nonreimbursable WR&R costs (portion covered by the revenue) should be offset from the column where the WR&R expenses are reported. For example, if your WR&R costs relate to direct care salaries or benefits, the nonreimbursable WR&R costs should be offset from Column 006 on Schedule 3.
- Prior to the 2024 cost report, DOH provided updated instructions on how agencies can identify WR&R revenue on their FFS rate sheet or estimate their WR&R revenue using the DOH-estimation calculation in the Cost Report Instructions. DOH also created a WR&R revenue estimation template that providers may leverage, as well as a pre-recorded WR&R webinar module. Providers are encouraged to use these materials to properly estimate WR&R revenue in future years.
  - WR&R revenue should be calculated using both Medicaid Managed Care and Medicaid FFS units of service, as applicable.
- **The subsequent slides will show a new WR&R guidance flowchart to be added to the 2024 Home Care Cost Report Instructions.**

Examples of WR&R costs:
- Overtime pay
- Retention or hiring bonuses
- Wellness programs
- Employee referral awards

### Useful Links

2024 Links
- Secure File Transfer Protocol Guide for Providers
- 2024 Home Care Cost Report Outreach Program
- 2024 Home Care Cost Report Instructions

**Supporting Documentation Templates**
- 2023 Supporting Documentation Template
- Cost Report Policy and Procedure Template
- LHCSA Supporting Documentation Template
- CHHA Supporting Documentation Template
- FI Supporting Documentation Template
- CHHA R&R/RT&R revenue estimation template
- LHCSA WR&R revenue estimation template
- FI WR&R revenue estimation template
- Home Care Supporting Documentation Template

Pre-recorded webinar
- Module: Home Care Cost Report Overview and Background (10 minutes)
- Module: Home Care Cost Report Terminology (9 minutes)
- Module: Home Care Cost Report Web-based Tool Walkthrough (24 minutes)
- Module- Cost Report Schedules Walkthrough (53 minutes)
- Module: Reporting Guidance for Contracting Relationships on Schedules 3 and 4 (12 minutes)
- Module: Allocating costs on Schedules 3 and 4 (17 minutes)
- Module: Supporting Documentation and the SFTP site (32 minutes)
- Worker's Recruitment & Retention Reporting Guidance (19 minutes)

# Reporting costs on Schedules 3 and 4 – WR&R (continued)

**2024 Top Audit Finding**

## Common errors

- There were several instances where agencies included nonreimbursable Medicaid services within their estimation of WR&R revenue.
- There were several instances where agencies did not offset the full amount of their estimated WR&R revenue or offset a portion of their estimated WR&R revenue with costs associated with nonreimbursable services.

## Lessons learned

- Per the Home Care Cost Report instructions, only reimbursable Medicaid services or revenue should be used to estimate WR&R revenue. WR&R revenue on nonreimbursable Medicaid services or non-Medicaid services should not be estimated and offset.
  - **The full amount of the estimated WR&R revenue received must be offset with WR&R costs associated with reimbursable services.**
- Per the Home Care Cost Report instructions, WR&R rates are not applicable to any entities (LHCSA, or FI) that are contracted with the City of New York (i.e., Medicaid FFS rates that are set by the NYC HRA). WR&R rate revenue is included in the rates for New York City agencies contracted with MLTCs/MCOs, and as such, WR&R revenue is required to be offset from costs on Schedule 3 for NYC Managed Care services.
  - **Costs reported in Schedule 3, Column 003 "Non-reimbursable WR&R costs" must be less than or equal to costs reported in Schedule 10, Column 001 "WR&R Costs to Entity." This will be added as an automatic check for the 2024 Home Care Cost Report year.**

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### WR&R Guidance from Instructions Tab in the Tool:

3. Column 003: Non-reimbursable WR&R costs— The expenses which were funded by the Workers' Recruitment & Retention (WR&R) revenue received through the WR&R rate add-on in accordance with Section 367-q of the Social Services Law and Public Health Law 3614 (Sections 8 and 9) should be included in Column 003 [1]. The WR&R rate add-on is additional revenue for home care agencies to spend on recruitment, training, and retention costs. WR&R add-ons are included in the Medicaid rates for both Medicaid Fee-for-service and Medicaid Managed Care. WR&R costs are any costs incurred for the purposes of recruiting and retaining the agency's staff. Some examples of WR&R costs include, but are not limited to:
   - Overtime pay
   - Retention or hiring bonuses
   - Incentive pay
   - Salary increases
   - Wellness programs
   - Mental health and stress management resources
   - Childcare assistance/benefits
   - Recruitment tools
   - Employee referral awards
   - Sabbatical

   The WR&R rate add-on percentage differs by entity type. A summary of the WR&R rate add-on percentages for the 2022 Medicaid Fee-for-service rates is included below:

   - LHCSA and FI entities receive a 4.56% WR&R rate add-on.
   - CHHA pediatric entities receive a 2.25% rate add-on for R&R and 4.70% rate add-on for RT&R (6.95% total).
   - CHHA episodic entities do not receive additional WR&R revenue (0%).

Examples of WR&R costs:

- Overtime pay
- Retention or hiring bonuses
- Wellness programs
- Employee referral awards

**Useful Links**

**2024 Links**

- Secure File Transfer Protocol Guide for Providers
- 2024 Home Care Cost Report Outreach Program
- 2024 Home Care Cost Report Instructions

# Reporting costs on Schedules 3 and 4 – WR&R (continued)

WR&R Template is found in the Useful Links in the Tool

| In calendar year 2024, LHCSAs received a 4.56% WR&R rate. Use this rate assumption if rate sheet doesn't clearly identify WR&R. | Enter Medicaid Reimbursement rate from rate sheet (FFS and/or MC) | Formula = Medicaid reimbursement rate - (Medicaid reimbursement rate/(1+WR&R %) | Select a reimbursable service type* from the drop-down menu options. | Enter total units of service from Schedule 5b, for the specific entity and service type listed in Column D. | Amount must be offset from total WR&R costs. |
|---|---|---|---|---|---|
| **Entity #1, Service Type #1** | | | | | |
| WR&R Rate % | 2024 Medicaid Reimbursement rate | WR&R Rate ($) | Reimbursable Service Type* (select one from drop-down) | Units of service (FFS and/or MC) | Total estimated WR&R revenue |
| 4.56% | $ 50.00 | $ 2.18 | PC: Level I | 5,000 | $ 10,902.83 |
| **Entity #1, Service Type #2** | | | | | |
| WR&R Rate % | 2024 Medicaid Reimbursement rate | WR&R Rate ($) | Reimbursable* Service Type (select one from drop-down) | Units of service (FFS and/or MC) | Total estimated WR&R revenue |
| 4.56% | $ 50.00 | $ 2.18 | PC: Level I | 20,000 | $ 43,611.32 |
| **Entity #2, Service Type #1** | | | | | |
| WR&R Rate % | 2024 Medicaid Reimbursement rate | WR&R Rate ($) | Reimbursable* Service Type (select one from drop-down) | Units of service (FFS and/or MC) | Total estimated WR&R revenue |
| 4.56% | $ 50.00 | $ 2.18 | PC: Level I | 30,000 | $ 65,416.99 |

| Sum of total estimated WR&R revenue (Column F)<br><br>Report the WR&R costs that were covered by the WR&R revenue as non-reimbursable in column 003 of Schedule 3. | WR&R funding should be used in its entirety to cover the following eligible WR&R expenses that are to be captured in this column: Overtime pay, Retention or hiring bonuses, Incentive pay, Salary increases, Wellness programs, Mental health and stress management resources, Childcare assistance/benefits, Recruitment tools, Employee referral awards, and Sabbatical. This is not an exhaustive list. These costs should be supported by trial expense accounts or general ledger detail. | If this value is positive (i.e., there are WR&R costs in excess of WR&R revenue received), these are reimbursable costs. Report these excess costs in column 005 (Program Administration), Column 006 (Program Aide), Column 007 (Program RN Supervision/Assessment, or Column 008 (Program Staff Training) on Schedule 3.<br><br>**Note: The value is not expected to be negative, as the Agency is required to utilize WR&R funding received on eligible expenses throughout the year. If negative, re-examine CY expenses to identify other eligible WR&R costs and update amount/documentation in Column I.** |
|---|---|---|
| Total estimated WR&R revenue | Total WR&R costs | Reimbursable WR&R costs to be reported in Columns 005-008 (report amount in Schedule 3 if positive, do not report if negative) |
| $ 141,736.80 | $ 200,000.00 | $ 58,263.20 |

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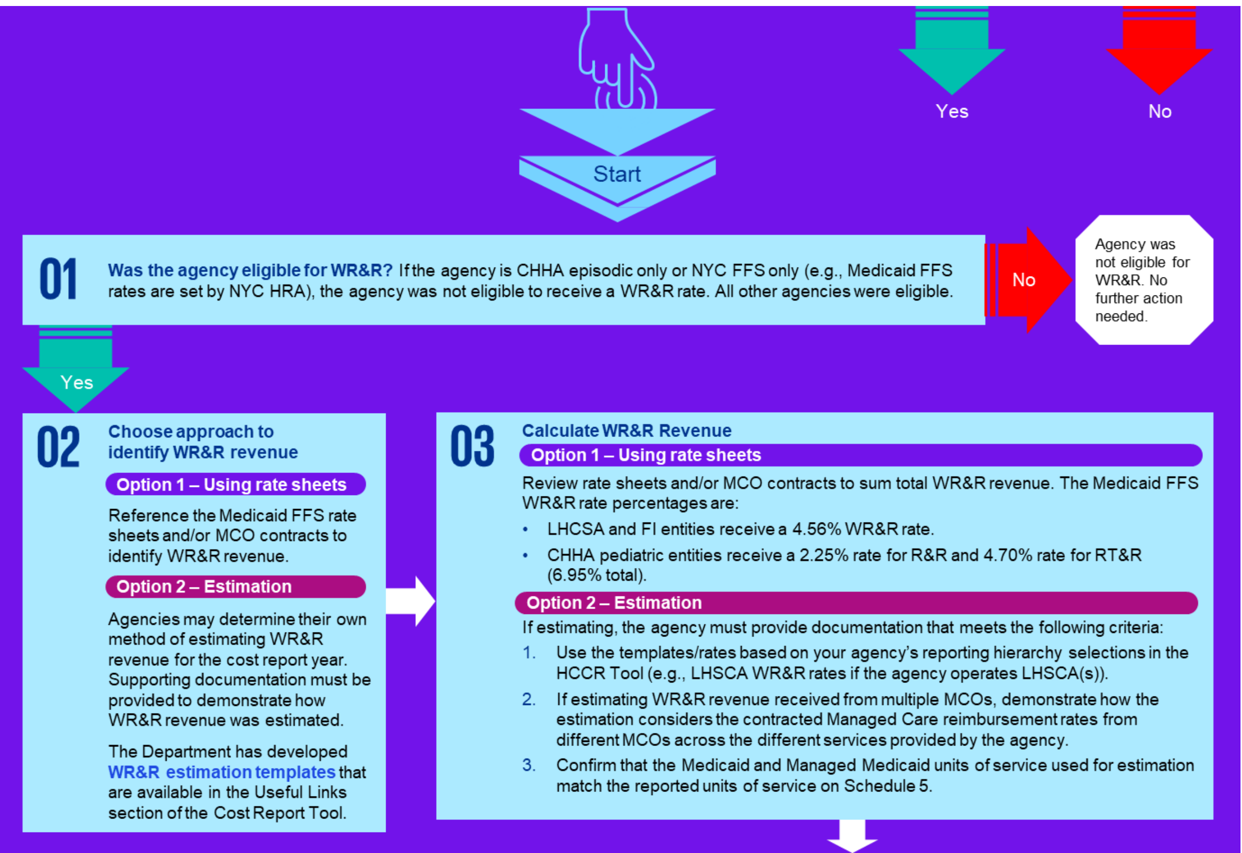
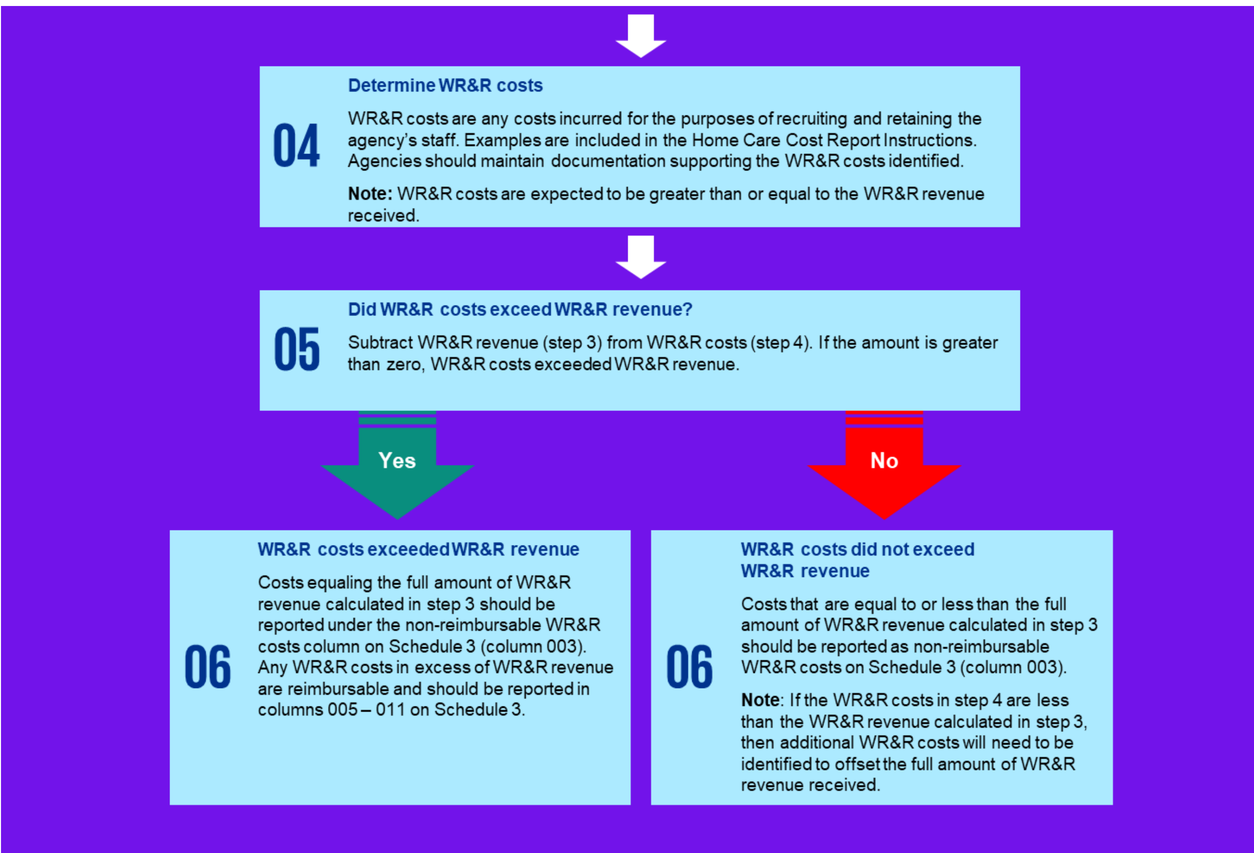
# Reporting costs on Schedules 3 and 4 – WR&R

A new WR&R flowchart was added to the Appendix of the Home Care Cost Report Instructions in the 2024 Cost Report year to help providers better understand WR&R and how to report this in the cost report.



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