KPMG

Home Care Cost Report October Outreach Session

NEW YORK STATE OF OPPORTUNITY. | Department of Health

October 28, 2020

Outreach Session Protocols

Protocols
— Please note that participants will be on mute for the duration of the session. — If you have questions during the presentation, please enter them via the Q&A feature in WebEx. DOH and KPMG will either 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.

Agenda

Topic	Speaker	Time
Timeline	DOH	5 minutes
Items to Note	DOH	5 minutes
Web-based Tool Items	KPMG	10 minutes
Audit Process	KPMG	30 minutes
Q&A Period	DOH/KPMG	10 minutes
		Total Time: 60 minutes

Timeline

Activity	Responsible Party	Dates
Providers continue to complete the Home Care Cost Report submissions	Providers	Current through October 31st, 2020
Home Care Cost Report submissions are due	Providers	October 31st, 2020
KPMG to conduct audits of the Home Care Cost Report submissions	KPMG/Providers	November through January 2021
Lessons learned webinar to discuss successes, opportunities for improvement, and future year suggestions	DOH/KPMG/Providers	January 2021

Items to Note

Home Care Cost Report – Items to Note

- The due date of the Home Care Cost Report is October 31st, 2020.

- The Web-based Tool will not shut down at the end of the day on October 31st, but we encourage providers to do their best to meet the deadline.
  - Note: The Web-based Tool tracks submission dates, so we will be able to identify which cost reports were submitted after the due date.

- The Department of Health's intention is not to impose penalties or sanctions that would have a negative effect on an agency or any reimbursement rate they receive.
  - DOH has worked closely with KPMG over the past several months to provide support and outreach to providers in an effort to make the Home Care Cost Report submission process as seamless as possible.
  - DOH's intention is to continue to serve as a partner to the provider community for the duration of the cost report submission and audit process.

- As the submission deadline approaches, we encourage providers to review reporting guidance, tutorials, and previous outreach session presentations/video playbacks to assist with their remaining reporting.

Web-based Tool Items

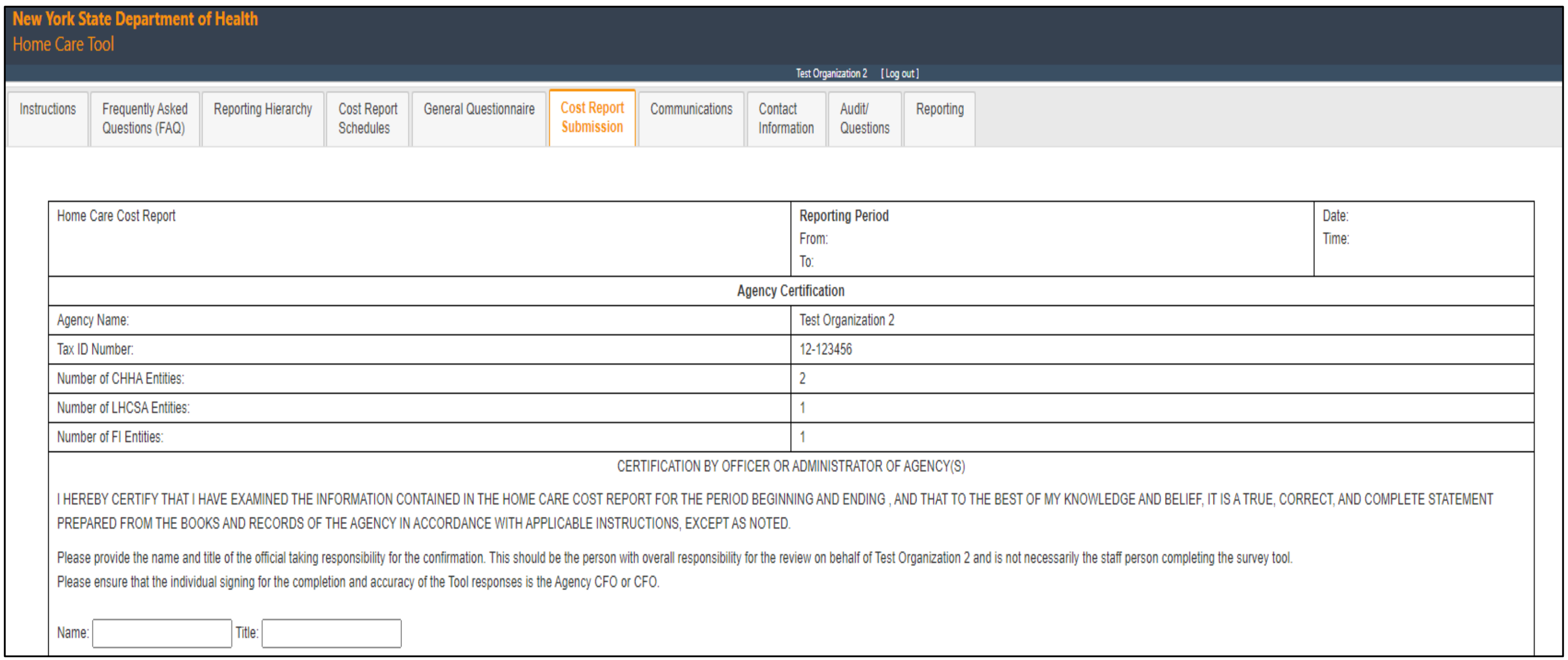
Submitting the Home Care Cost Report

Cost Report Submission Tab:

— The submission of the completed Home Care Cost Report occurs in the Cost Report Submission tab.

— In order to submit the cost report, both the Cost Report Schedules tab and the General Questionnaire tab need to be completed.

- Note: The General Questionnaire tab does not have its own submit button, but rather will get submitted along with the Cost Report Schedules tab when you submit the Cost Report Submission tab.


New York State Department of Health
Home Care Tool
Test Organization 2 [Log out]

Instructions | Frequently Asked Questions (FAQ) | Reporting Hierarchy | Cost Report Schedules | General Questionnaire | Cost Report Submission | Communications | Contact Information | Audit/ Questions | Reporting

Home Care Cost Report	Reporting Period From: To:	Date: Time:

Agency Certification	
Agency Name:	Test Organization 2
Tax ID Number:	12-123456
Number of CHHA Entities:	2
Number of LHCSA Entities:	1
Number of FI Entities:	1

CERTIFICATION BY OFFICER OR ADMINISTRATOR OF AGENCY(S)

I HEREBY CERTIFY THAT I HAVE EXAMINED THE INFORMATION CONTAINED IN THE HOME CARE COST REPORT FOR THE PERIOD BEGINNING AND ENDING , AND THAT TO THE BEST OF 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. This should be the person with overall responsibility for the review on behalf of Test Organization 2 and is not necessarily the staff person completing the survey tool.
Please ensure that the individual signing for the completion and accuracy of the Tool responses is the Agency CFO or CFO.

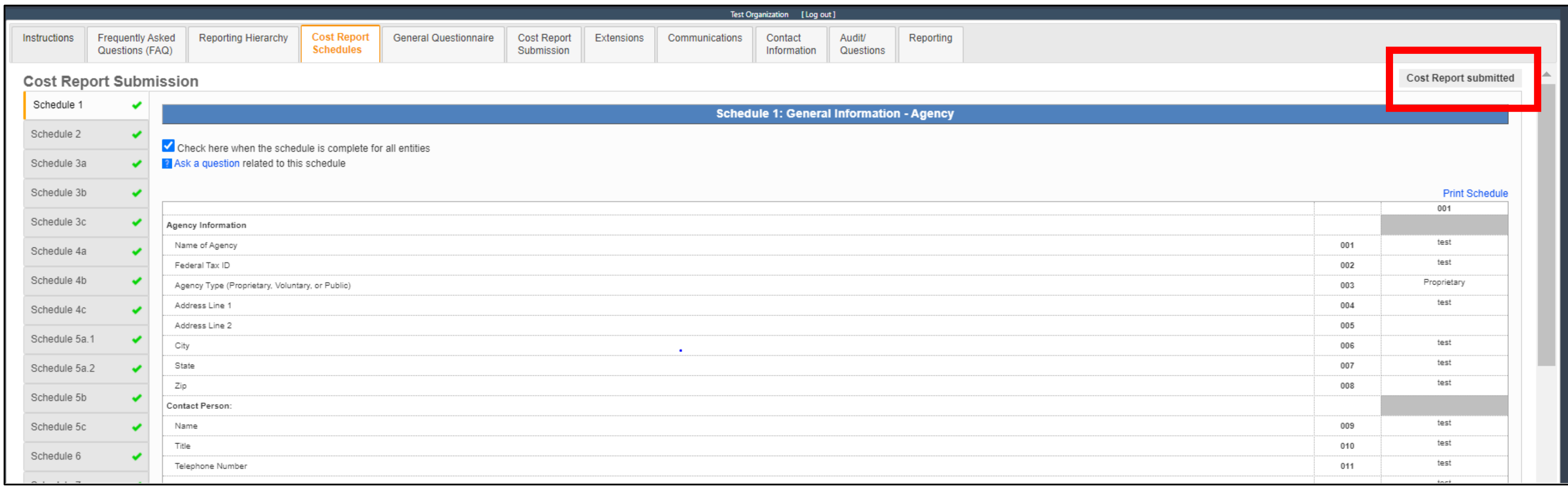
Name: Title:

Submitting the Home Care Cost Report (cont.)

Cost Report Submission Tab:

— You will not receive an automated email when you submit the Home Care Cost Report.

- You will be able to tell if the submission went through if you see the words “Cost Report Submitted” in the top right corner of the Cost Report Schedules tab.
- If you are still unsure if your cost report was submitted, you can send an email to us-advrisknyshc@kpmg.com to inquire about your submission status.



Audit Process

Home Care Audit Mailbox

Home Care Audit Mailbox	us-advrisknyshc@kpmg.com

- KPMG has set up a Home Care Audit Mailbox where questions can be emailed regarding the audit process.
- Note that this mailbox is the same one that has been used throughout the Home Care Cost Report submission process.
- Once the audit process begins and your agency has been notified regarding audit kick-off, communication for audit related matters will occur with the individual members of the KPMG audit team assigned to your agency as well as within the Web-based Tool.

Home Care Cost Report Audit

Audit goals:

- To review, analyze, test, and verify the Home Care Cost Report financial and statistical records to determine that the appropriate data was included as reimbursable costs in each agency's submission.
- To gain an understanding of Home Care agency data tracking and reporting systems.
- To promote uniform standards for data submission and collection.
- To improve compliance and reporting through training and outreach.

Audit scope:

- The current audit will be a review of each CHHA, LHCSA, or FI agency's 2019 Home Care Cost Report submission.
- All agencies that submit a 2019 Home Care Cost Report will be subject to audit by KPMG.
- The audit of the 2019 Home Care Cost Report will be the first year of audits conducted by KPMG. An annual audit of Home Care Cost Reports will continue to occur in the future.

KPMG

Contact protocol

Identify primary contact:

— In the **Contact Information** tab of the Web-based Tool, add in the contact information for all of the individuals responsible for making audit-related decisions and responding to inquiries.

- These individuals can be the same people who are listed in the Reporting Hierarchy section, but please be sure to make it clear in the Contact Information tab who from the agency will be involved in the audit process.

Audit Kick-Off:

— Upon commencement of the audit, you will receive a communication from the KPMG audit team assigned to your agency.

— Once this communication is received, you will be able to reach out to the audit team via email with any particular questions about getting started with the process.

Communication methods:

— Once the audits begin, the vast majority of communications will be conducted within the Web-based Tool.

— Specifically, communications between the agencies and the audit teams will occur within the **Audit/Questions** tab. This tab is comprised of the following subtabs:

- Documentation Requests Follow-up Questions
- Follow-up Questions
- Potential Findings
- Provider Questions

Audit Milestones

Milestones – Phase 1

Phase 1	Milestone	Time Period
Cost Report Submission and Audit Kick-off	Cost Report Completion and Submission	June 2020 through October 2020
	General Questionnaire and Schedule Specific Questionnaire Completion and Submission	June 2020 through October 2020
	Supporting Documentation Compilation and Submission	June 2020 through October 2020

— **Cost Report Completion and Submission**
  - Home Care Cost Report submissions are due **October 31st, 2020.**

— **General Questionnaire and Schedule Specific Questionnaire Completion and Submission**
  - Questionnaire responses are due along with the Home Care Cost Report on **October 31st, 2020.**
  - Be sure to read each of the questions fully and provide accurate and detailed responses where requested.

— **Supporting Documentation Compilation and Submission**
  - Agencies should be compiling their supporting documentation throughout the process.
  - Supporting documentation is required to be submitted via the Secure File Transfer Protocol (SFTP) site within **7 days** of your cost report submissions (more details to follow later in the presentation).

Milestones – Phase 2

Phase 2	Milestone	Anticipated Time Period
Fieldwork	KPMG Reviews Auditee Questionnaire Responses and Supporting Documentation and Provides Follow-up Correspondences to Auditee	November 2020 through January 2021
	Auditee Provides Responses to Follow-up Questions	November 2020 through January 2021
	KPMG Reviews Auditee Follow-up Responses	November 2020 through January 2021
	KPMG Proposes Adjustments and Findings to Auditee (if necessary)	November 2020 through January 2021

— **Provider Activities in the Fieldwork Phase**

- Help resolve any data issues or discrepancies between supporting documentation and the information entered in the Home Care Cost Report.
- Provide additional supporting documentation as requested by the assigned auditors.
- Communicate and resolve any audit/data issues or disagreements with the audit team and/or the Department of Health (DOH) before Exit Dashboards are issued.
- Respond to questions presented by the audit team within the Web-based Tool.
- **Responses to audit inquiries are expected to be provided within 3-5 business days. The audit team will specify the specific timing within their inquiry.**

Milestones – Phase 3

Phase 3	Milestone	Anticipated Time Period
Reporting and Close-out	Auditee Provides Management Response and Corrective Action Plan for Each Finding (if necessary)	November 2020 through January 2021
	KPMG Provides Exit Dashboard	January/February 2021

- **Management Response and Corrective Action Plan**
  - Agencies will be required to provide a management response and corrective action plan for any identified findings.
- **KPMG Provides Exit Dashboard**
  - KPMG will issue an Exit Dashboard that includes the identified findings and the management response/corrective action plan.

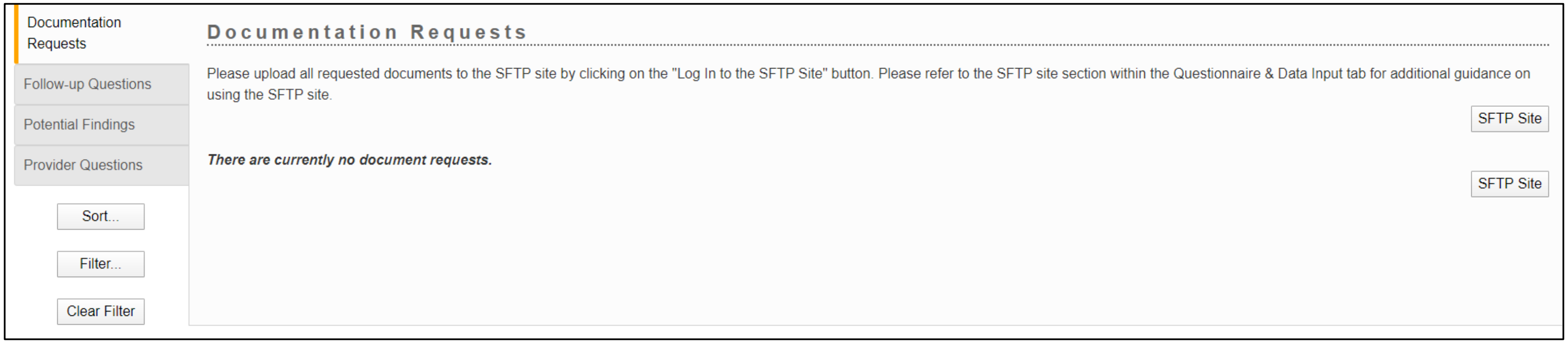
Audit/Questions Tab

Components of the Audit/Questions Tab

— The Audit/Questions tab is the location where all audit procedures and communications will occur.

— This tab includes the following sections:

- **<u>Documentation Requests Follow-up Questions</u>**: Location where documentation requests from the KPMG team will appear. Documents will be submitted to a secure file transfer protocol (SFTP) site.
- **<u>Follow-up Questions</u>**: Location where audit follow-up questions, documentation, and communication will occur. KPMG and the agency will have direct communication in this location.
    - ➢ Note: The Follow-up Questions tab will be broken down into different tabs during the audit process to better categorize the nature of the follow-up inquiries.
- **<u>Potential Findings</u>**: Location where potential findings identified will appear.
- **<u>Provider Questions</u>**: Location where provider questions will appear. KPMG and the agency can have direct communication in this location.



Documentation Requests

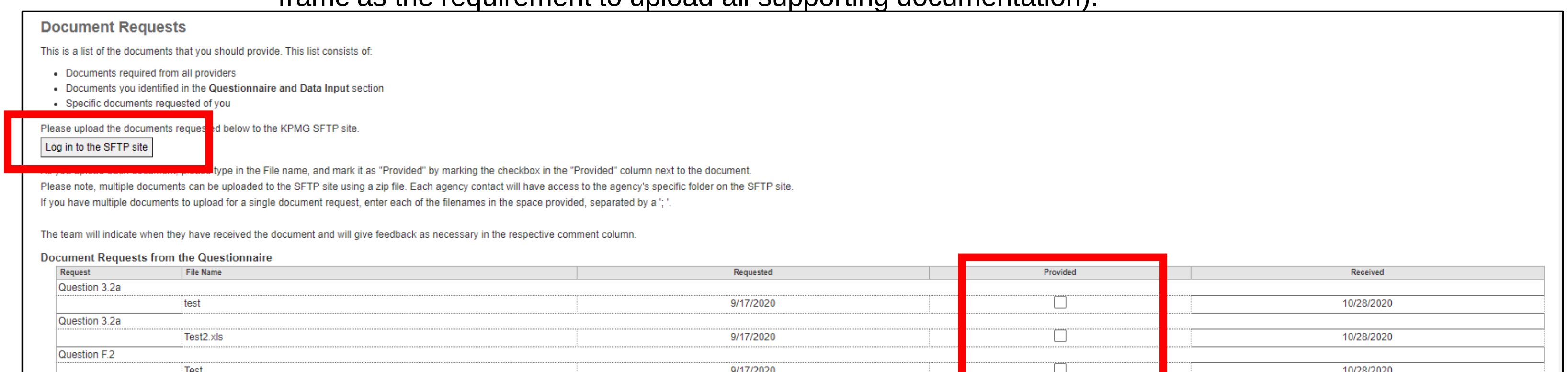
Overview:

— As you are now aware, there are a series of questions within each cost report schedule that must be answered (Schedule Specific Questionnaire). Two of these questions are related to supporting documentation:

- The first question asks you to indicate which type of supporting documentation you used to complete that particular schedule (check all that apply).
- The second question asks you to add the name of these supporting documents as well as the name of the crosswalk file that demonstrates the allocation methodology used.

— Note that the supporting documentation names you enter will flow through to the Documentation Requests tab.

- This is a new tab that was created in the Tool to serve as the central location where you can stay organized and see all of the documents that you will need to submit.
- After you upload your documentation to the SFTP Site (process covered in the next couple of slides), **please mark the checkbox in the "Provided" column next to each document name to indicate that the file has been uploaded**.
  - ➢ **Note that this needs to be completed within 7 days of your cost report submissions** (same time frame as the requirement to upload all supporting documentation).



Document Requests

This is a list of the documents that you should provide. This list consists of:

- Documents required from all providers
- Documents you identified in the **Questionnaire and Data Input** section
- Specific documents requested of you

Please upload the documents reques[illegible]d below to the KPMG SFTP site.

Log in to the SFTP site

[illegible] type in the File name, and mark it as "Provided" by marking the checkbox in the "Provided" column next to the document.
Please note, multiple documents can be uploaded to the SFTP site using a zip file. Each agency contact will have access to the agency's specific folder on the SFTP site.
If you have multiple documents to upload for a single document request, enter each of the filenames in the space provided, separated by a '; '.

The team will indicate when they have received the document and will give feedback as necessary in the respective comment column.

Document Requests from the Questionnaire

Request	File Name	Requested		Provided	Received
Question 3.2a					
	test	9/17/2020		☐	10/28/2020
Question 3.2a					
	Test2.xls	9/17/2020		☐	10/28/2020
Question F.2					
	Test	9/17/2020		☐	10/28/2020

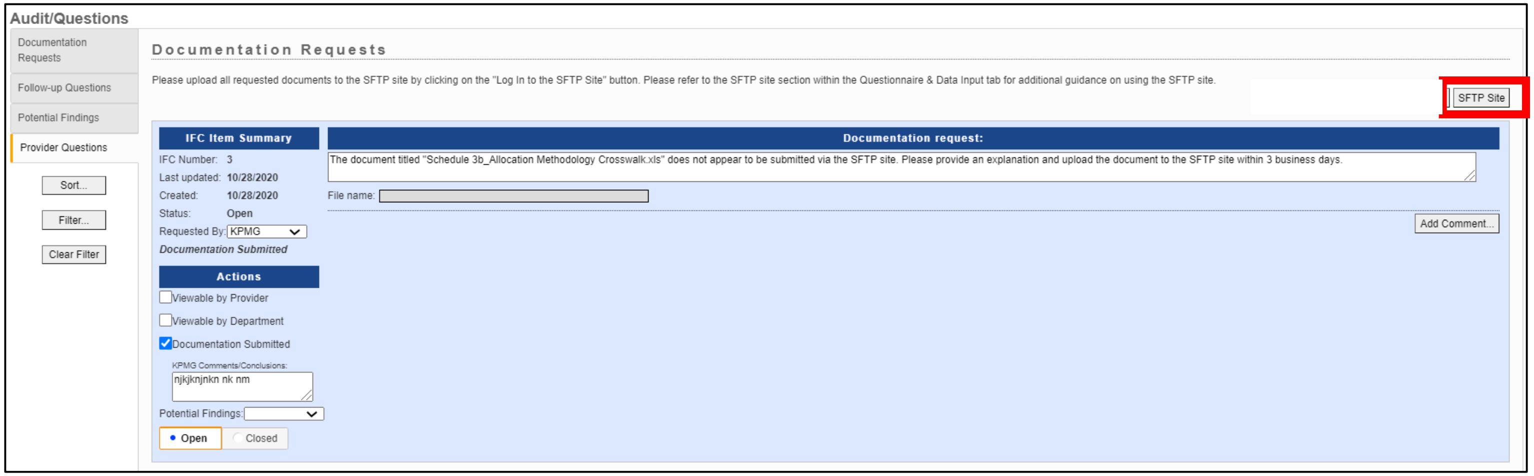
Documentation Requests (cont.)

— You will need to upload the supporting documents to a Secure File Transfer Protocol (SFTP) site.

- A link to this SFTP site is located directly within the Documentation Request tab (indicated on previous slide) as well as the Documentation Requests Follow-up Questions subtab (located within the Audit/Questions tab).
- Supporting documentation is required to be submitted via the Secure File Transfer Protocol (SFTP) site within **7 days** of your cost report submissions.
- Separate login credentials are used for the SFTP site.

— Documentation Requests Follow-up Questions subtab (located within the Audit/Questions tab)

- This is the location where KPMG will add follow-up requests for documentation that is missing or for additional documentation that is needed based on the procedures that have been performed.



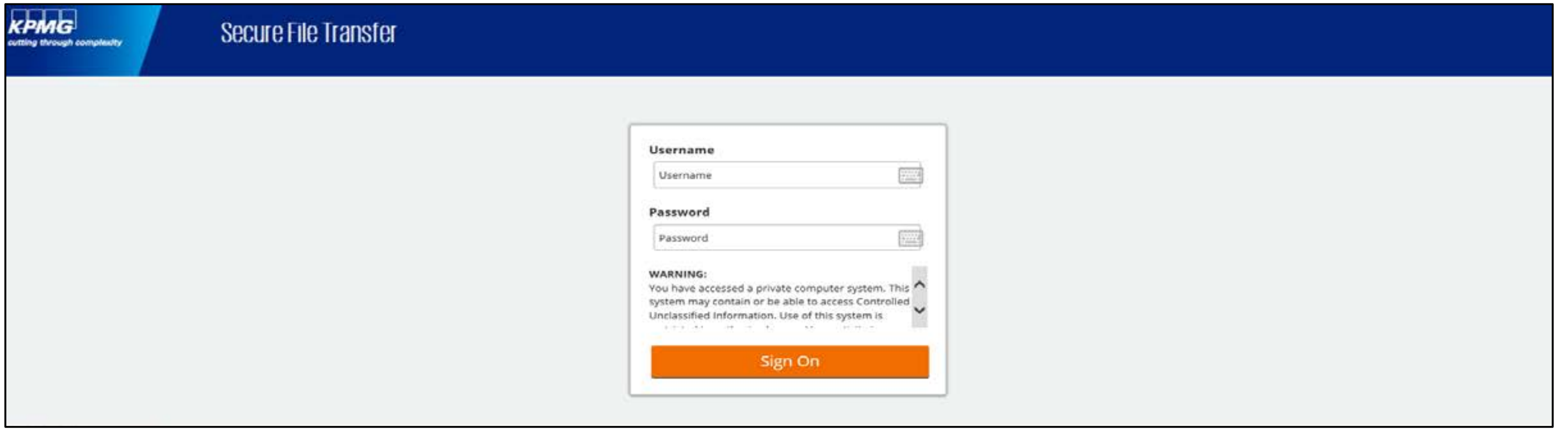
Documentation Requests (cont.)

SFTP Site Credentials:

- To date, we have distributed SFTP Site login credentials to individuals representing the agencies that have submitted the Reporting Hierarchy tab and have access to the Cost Report Schedules tab.
  - If you have not received separate SFTP login credentials and you will be submitting the Home Care Cost Report, please email us-advrisknyshc@kpmg.com indicating the full name of the individual who needs credentials, their email address, and the agency name.

SFTP Site Process:

- Upon entering the SFTP Site, you will have access to all of the agency folders for which you also have access to the Web-based Tool.
  - Similar to the Web-based Tool, the same login credentials are used to access the SFTP Site for all agencies for which you have access.
- After navigating to the correct agency folder name, please upload ALL documentation that was used complete the schedules of the Home Care Cost Report.
  - The name of the documents uploaded to the SFTP Site should match the name of the documents that you entered within the questions for each schedule of the cost report.
- **Supporting documentation is required to be submitted to the SFTP Site within 7 days of your cost report submissions.** The KPMG audit teams will access the documentation you upload to the SFTP Site for audit purposes.



Documentation Requests (cont.)

Expectations:

— Please be prepared to upload your documents to the SFTP site in a WinZip folder to minimize the number of individual document uploads.
  - For each document uploaded, you must use the following naming convention when uploading documents to the SFTP site:
    - “Schedule #_Document Type”
      - Example: “Schedule 3a_General Ledger”
      - Example: “Schedule 3a_Allocation Methodology Crosswalk”

Leading Practices:

— Below are some additional suggestions to keep in mind:
  - Provide third party support that verifies completeness and accuracy of the data in the cost report. Third party support allows the audit teams to more easily gain comfort with the data being presented and reported.
  - Demonstrate underlying calculations for the data, including any reconciliations or crosswalks for information on the cost report that does not tie directly to the supporting documentation.
    - Using formulas within an Excel crosswalk file is one example that will allow auditors to more easily understand how you are demonstrating allocations and/or reconciliations.
    - Trying to decipher hard coded data will increase the need for follow-up communications.
  - Ensure that you are in communication with the individuals responsible for gathering data for each of the schedules in the cost report. You may need to communicate with these individuals to address any follow-up questions from the audit teams.

Documentation Requests (cont.)

Allocation Methodology:

- Providers have been asked to indicate the allocation methodology that they used for the various categories within the Home Care Cost Report.
- Providers should also prepare the following for submission:
  - A cross walk file for each schedule that details the steps taken to allocate the agency information across the various entities operated within that agency. KPMG will not be reviewing agency level supporting documentation only to figure out how the information was allocated to the various entities.
  - This crosswalk can come in the form of an Excel file and must include the following:
    - Allocation methodology used for the schedule
    - A step down of how the agency level information translates to the figures entered for each entity. The file must show how you went from Step A (Agency) to Step B (Entity).
    - The amounts included in the crosswalk file MUST tie back to the supporting documentation (e.g., the third-party support).

Follow-up Questions

Overview:

— The Follow-up Questions subtabs are the main location where the audit follow-up will occur.

— The KPMG audit teams can inquire about the following areas:

- Agency responses to General or Schedule Specific Questionnaire items
- Information reported within the schedules of the cost report (e.g., inquires for discrepancies between what was reported and what appears in the supporting documentation and/or crosswalk files).

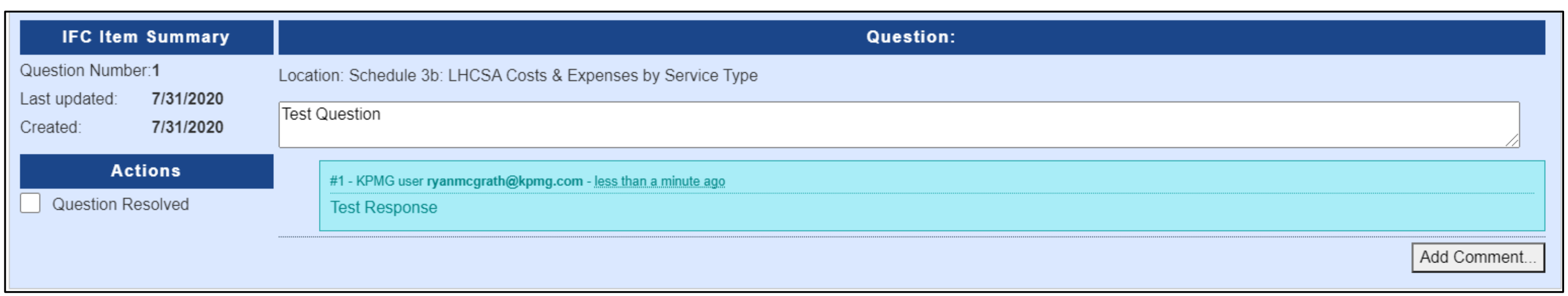
— Once an inquiry is published by the KPMG audit team, you will receive a notification from no-reply@avii.com.

- Be sure to mark this email address as an allowable sender.

— Agencies are expected to provide prompt and detailed responses to all inquires.

- Specific timing requests for responses will be included in the inquiries. It is critical to answer these follow-up inquiries thoroughly and in a prompt manner in order to avoid delays to the audit process.

— Example format of inquires within the Web-based Tool:



Potential Findings

Overview:

— Any potential findings identified by the audit teams will be located in the Potential Findings subtab.

— These finding will quantify the value of the impact for the identified issue (e.g., $50,000 worth of non-allowable costs were reported as allowable costs).

  - This will allow audit teams and agencies to both fully understand the issue so an appropriate adjustment can be made if necessary.

— The findings will be the result of the audit procedures and can be related to items such as the following:

  - Insufficient supporting documentation
  - Misreporting of allowable vs. non-allowable costs
  - Discrepancies between supporting documentation and the data reported on the cost report

Exit Dashboards

Overview:

- The Exit Dashboard consists of any adjustments noted as a result of the audit as well as a listing of audit findings with the condition that drove each finding.

- Agencies will be given a period of time after receipt of the dashboard to provide a management response to the findings.
  - If no management response is provided within that timeframe, then the final dashboard will be provided to the Department of Health without a management response.
  - The goal is to have all issues resolved before they hit the Exit Dashboard. As such, please try to resolve any issues during the audit and not during the Exit Dashboard process. Timely communication is particularly important during this phase of the audit process.

Final Reminders and Next Steps

- Continue working through your Home Care Cost Report submissions due **October 31st, 2020.**

- Provide complete and thorough responses to all General Questionnaire and Schedule Specific Questionnaire items. Questionnaire submissions are due along with the cost report submission**.**

- Stay organized and maintain all third-party supporting documentation files and crosswalk files used to complete the Home Care Cost Report.
  - Be sure to use the naming convention outlined earlier in this presentation on slide 23.

- You will be required to submit all supporting documentation through the Secure File Transfer Protocol (SFTP) site.
  - Supporting documentation is required to be submitted within 7 days of your cost report submissions.

- Please be on the lookout for an email from KPMG with more details regarding the following:
  - Agency selection for audit
  - Next steps regarding agency actions within the Audit/Questions tab of the Web-based Tool (e.g., required provider actions for the Documentation Requests subtab, general audit kick-off items, and associated timing/due dates).

Q&A Period

Thank You

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