KPMG

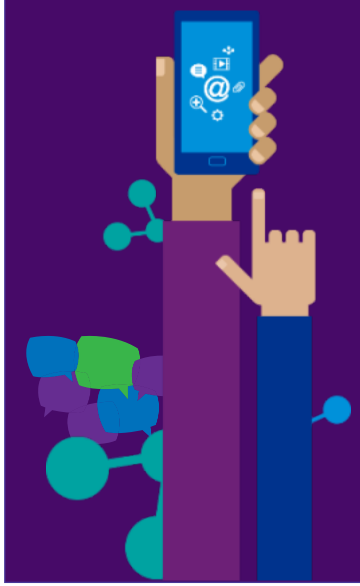
2020 Home Care Cost Report November Outreach Session

NEW YORK STATE OF OPPORTUNITY. | Department of Health

November 9, 2021

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
Cost report submission reminders	KPMG	5 minutes
Observations of initial cost report submission	KPMG	10 minutes
What if I get selected for Audit?	KPMG	10 minutes
Helpful resources & next steps	KPMG	10 minutes
Q&A period	DOH/KPMG	20 minutes
	Total Time:	**60 minutes**

Timeline

Activity	Responsible Party	Dates
Providers continue to complete the Home Care Cost Report submissions	Providers	Current through November 15, 2021
Home Care Cost Report submissions are due in the Web-based Tool	Providers	November 15, 2021
Supporting documentation is due in the Secure File Transfer Protocol (SFTP) site	Providers	November 22, 2021
DOH and KPMG to notify the DOH-selected agencies that will undergo audit procedures	DOH/KPMG	Late November 2021
DOH and KPMG to conduct an Audit Kickoff Webinar prior to the beginning of the audit process	DOH/KPMG/ Providers	Early December 2021
KPMG to conduct audits of the Home Care Cost Report submissions	KPMG/Providers	December through March 2022
Lessons learned webinar to discuss successes, opportunities for improvement, and future year suggestions	DOH/KPMG/ Providers	TBD

Home care cost report

Items to Note

- 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.
- 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.
- The Web-based Tool will not shut down at the end of the day on November 15th, but DOH expects all providers 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 Home Care Cost Report collects 2020 data that will be used to set 2022 Medicaid reimbursement rates.

Cost report submission reminders

Cost Report Submission

Submitting the Home Care Cost Report

- The submission of the completed Home Care Cost Report occurs in the Cost Report Submission tab.
- The link to the 2020 Home Care Cost Report is different than the 2019 Home Care Cost Report Tool link. Please make sure you are using the below link for your 2020 submission.
  - https://desoto.certisphere.com/doh/homecare2020
- 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.
- The Home Care Cost Report must be certified and submitted by an executive level individual. (e.g., CEO or CFO).

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

Home Care Cost Report	**Reporting Period** From: 1/1/2020 To: 12/31/2020	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 1/1/2020 AND ENDING 12/31/2020, 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.

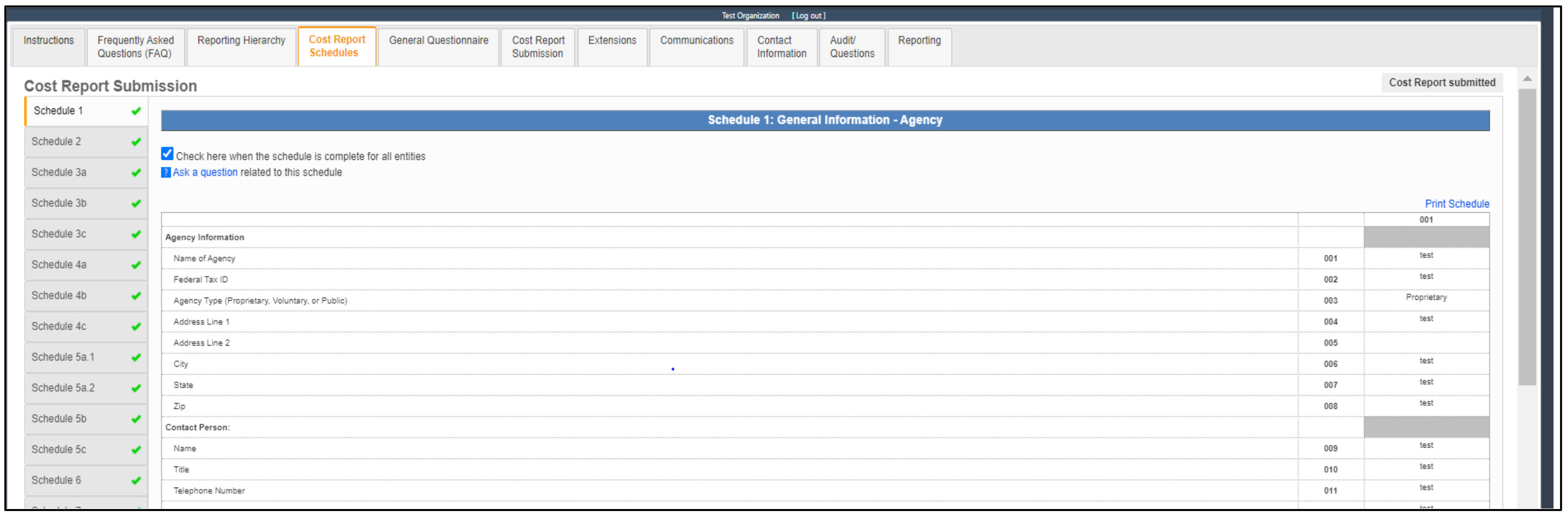
Name: Title:

Cost Report Submission

Submitting the Home Care Cost Report

— 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.



— Note that once the cost report has been submitted, it will be locked and no edits can be made. Therefore, please be sure your cost report is final before clicking submit.

Observations of initial cost report submissions

Common themes

Schedule 3a, 3b, 3c: Costs and Expenses

- Schedule 3 should include the agency's **total costs** (including direct care expenses, administrative expenses, salary expenses, non-allowable expenses, etc.) for each entity type (CHHA, LHCSA, or FI).
  - These costs must be allocated to the appropriate service type rows (e.g. Home Health Aide, PC Level I, etc.)
- This schedule should reconcile to the total expenses per your agency's Financial Statements or Trial Balance, which must be uploaded to the SFTP site as supporting documentation.
  - A reconciliation of total expenses per Schedule 3 to total expenses per Financial Statements or Trial Balance should be provided with supporting documentation uploaded to the SFTP site.
  - If the total costs reported on Schedule 3 does not match the total expenses per your agency's financial statements or Trial Balance, you should provide an explanation for the discrepancy in your supporting documentation.

Note: The Instructions tab in the Web-based Tool includes more detailed instructions for each column in Schedule 3.

Trial Balance

Description	Current Period Cost	Category
Salary Expense	$ 500,000.00	A
Fringe Benefits	$ 250,000.00	A
Marketing	$ 50,000.00	Non-allowable
Meal Expense	$ 25,000.00	Non-allowable
Staff Training	$ 5,000.00	Direct Care
Supplies	$ 50,000.00	Administrative
Contracted services - Home Health Aides	$ 100,000.00	Direct Care
Income Taxes	$ 20,000.00	Non-allowable
Rent	$ 100,000.00	Administrative
Depreciation	$ 10,000.00	Administrative
Utilities	$ 25,000.00	Administrative
Cash Receipt Assessment Tax	$ 1,000.00	Non-allowable
Travel Expense	$ 10,000.00	Administrative
Bad Debt Expense	$ 5,000.00	offset to revenue - not on Schedule 3
Total	$ 1,151,000.00	
Total Expenses per AFS	$ 1,146,000.00	
Difference	$ 5,000.00	**

**Difference relates to bad debt expense that is offset to revenue on FS. Will be treated as offset to revenue on cost report as well.

A: Allocation obtained from YTD Master Payroll Report

Common themes

Program Administration

— The cost report cannot be submitted until Schedule 3 and Schedule 4 (Column 004) Program Administration are equal at the agency and entity level.

— Using the mock Trial Balance below, we will walk through a real-life example of how to report program administration costs on Schedule 3 and Schedule 4 for a LHCSA entity.

— **Step 1:** Identify the total Program Administration costs.

- Walk through the Trial Balance and categorize the expense accounts.
- The total program administration expense is the sum of the expense accounts we categorized as program administration (highlighted yellow).
  - Total program administration expense= **$398,000**.

Trial Balance

Description	Current Period Cost	Category
Direct Care Salary Expense	$ 500,000.00	Direct Care
Program Administration Salary Expense	$ 250,000.00	Program Administration
Marketing/Advertising	$ 50,000.00	Non-allowable
Office Supplies	$ 3,000.00	Program Administration
Meal Expense	$ 25,000.00	Non-allowable
Staff Training	$ 5,000.00	Direct Care
Income Taxes	$ 20,000.00	Non-allowable
Rent	$ 100,000.00	Program Administration
Depreciation	$ 10,000.00	Program Administration
Utilities	$ 25,000.00	Program Administration
Cash Receipt Assessment Tax	$ 1,000.00	Non-allowable
Travel Expense	$ 10,000.00	Program Administration
Bad Debt Expense	$ 5,000.00	Offset to revenue
Total Costs	$ 1,004,000.00	
Total Program Administration Costs	**$ 398,000.00**	

Common themes (continued)

Program Administration

Schedule 3b: LHCSA Costs & Expenses by Service Type

— **Step 2:** Determine allocation methodology that will be used to allocate program administration costs of $398,000 across service types.

- Let's assume that this LHCSA provides PC Level 1, PC Level II, and Nursing Supervision services. The LHCSA decides to use the percentage of total service hours as an allocation methodology.
- In order to calculate the allocation percentages for each service type, the LHCSA refers to a system-generated report that provides a summary of the calendar year 2020 hours by service type.

System Generated- Summary of Hours by Service Type

Service Type	CY 2020 Total Hours
PC I	5,000
PC II	2,000
Nursing Supervision	3,000
Total CY 2020 Service Hours	**10,000**

- Using the 2020 service hours per service type, the LHCSA can calculate the percentage of total service hours for each service type:
  - — **PC Level I:** 50% of total hours
  - — **PC Level II:** 20% of total hours
  - — **Nursing Supervision:** 30% of total hours
    - These will be the allocation percentages used to allocate program administration costs in Column 004 of Schedule 3.

Common themes (continued)

Program Administration

Schedule 3b: LHCSA Costs & Expenses by Service Type

— **Step 3:** Calculate the program administration expense for each service type on Schedule 3.

- Now that we have calculated our allocation percentages, we can apply these percentages to the total program administration costs from our Trial Balance ($398,000) to calculate the program administration expense for each service type.
  - **PC Level I:** (398,000) * (0.5) = $199,000
  - **PC Level II:** (398,000) * (0.2) = $79,600
  - **Nursing Supervision:** (398,000) * (0.3) = $119,400

Supporting Documentation

Trial Balance

Description	Current Period Cost	Category
Direct Care Salary Expense	$ 500,000.00	Direct Care
Program Administration Salary Expense	$ 250,000.00	Program Administration
Marketing/Advertising	$ 50,000.00	Non-allowable
Office Supplies	$ 3,000.00	Program Administration
Meal Expense	$ 25,000.00	Non-allowable
Staff Training	$ 5,000.00	Direct Care
Income Taxes	$ 20,000.00	Non-allowable
Rent	$ 100,000.00	Program Administration
Depreciation	$ 10,000.00	Program Administration
Utilities	$ 25,000.00	Program Administration
Cash Receipt Assessment Tax	$ 1,000.00	Non-allowable
Travel Expense	$ 10,000.00	Program Administration
Bad Debt Expense	$ 5,000.00	Offset to revenue
Total Costs	$ 1,004,000.00	
Total Program Administration Costs	**$ 398,000.00**	

Cost Report Submission

Schedule 3b: LHCSA Costs & Expenses by Service Type		Program Administration
		004
Direct Care		
PC: Level I	001	$ 199,000.00
PC: Level II	002	$ 79,600.00
PC: Level II - Hard to Serve	003	
Live-In	004	
Nursing Supervision	005	$ 119,400.00
Nursing Assessment	006	
Shared Aide: Level I	007	
Shared Aide: Level II	008	
Other non-allowable services	009	
GRAND TOTAL	010	$ 398,000.00

Note: The total program administration cost reported on Schedule 3 reconciles back to the Trial Balance.

Common themes (continued)

Program Administration

Schedule 4b: LHCSA General Service Cost Centers

— **Step 5:** On Schedule 4, allocate program administration expense accounts of $398,000 from your Trial Balance or General Ledger into the appropriate general cost center row.

Supporting Documentation

Trial Balance

Description	Current Period Cost	Category
Direct Care Salary Expense	$ 500,000.00	Direct Care
Program Administration Salary Expense	$ 250,000.00	Program Administration
Marketing/Advertising	$ 50,000.00	Non-allowable
Office Supplies	$ 3,000.00	Program Administration
Meal Expense	$ 25,000.00	Non-allowable
Staff Training	$ 5,000.00	Direct Care
Income Taxes	$ 20,000.00	Non-allowable
Rent	$ 100,000.00	Program Administration
Depreciation	$ 10,000.00	Program Administration
Utilities	$ 25,000.00	Program Administration
Cash Receipt Assessment Tax	$ 1,000.00	Non-allowable
Travel Expense	$ 10,000.00	Program Administration
Bad Debt Expense	$ 5,000.00	Offset to revenue
Total Costs	$ 1,004,000.00	
Total Program Administration Costs	**$ 398,000.00**	

Cost Report Submission

Schedule 4b: LHCSA General Service Cost Centers		Program Administration
		004
GENERAL SERVICE COST CENTERS		
Criminal Background Check & Fingerprinting	001	
Capital Related - Building & Fixtures	002	
Capital Related - Movable Equipment	003	
Plant Operations & Maintenance	004	
Rent-Building	005	$ 100,000.00
Rent-Furnishings	006	
Rent-Vehicles	007	
Interest-Property	008	
Depreciation-Plant	009	
Depreciation-Equipment & Furnishings	010	$ 10,000.00
Depreciation-Vehicles	011	
Transportation	012	$ 10,000.00
Utilities	013	$ 25,000.00
Supplies & Materials	014	$ 3,000.00
Insurance	015	
Administration & General	016	$ 250,000.00
Employee physicals/uniforms/immunizations	017	
Other	018	
Grand Total	01	$ 398,000.00

Note: The total program administration cost reported on Schedule 4 reconciles back to the Trial Balance.

Common themes (continued)

Program Administration

— The Program Administration (Column 004) total should be equal on Schedule 3 and Schedule 4.

Schedule 3b: LHCSA Costs & Expenses by Service Type		Program Administration
		004
Direct Care		
PC: Level I	001	$ 199,000.00
PC: Level II	002	$ 79,600.00
PC: Level II - Hard to Serve	003	
Live-In	004	
Nursing Supervision	005	$ 119,400.00
Nursing Assessment	006	
Shared Aide: Level I	007	
Shared Aide: Level II	008	
Other non-allowable services	009	
GRAND TOTAL	010	$ 398,000.00

Schedule 4b: LHCSA General Service Cost Centers		Program Administration
		004
GENERAL SERVICE COST CENTERS		
Criminal Background Check & Fingerprinting	001	
Capital Related - Building & Fixtures	002	
Capital Related - Movable Equipment	003	
Plant Operations & Maintenance	004	
Rent-Building	005	$ 100,000.00
Rent-Furnishings	006	
Rent-Vehicles	007	
Interest-Property	008	
Depreciation-Plant	009	
Depreciation-Equipment & Furnishings	010	$ 10,000.00
Depreciation-Vehicles	011	
Transportation	012	$ 10,000.00
Utilities	013	$ 25,000.00
Supplies & Materials	014	$ 3,000.00
Insurance	015	
Administration & General	016	$ 250,000.00
Employee physicals/uniforms/immunizations	017	
Other	018	
Grand Total	01	$ 398,000.00

Values must be equal

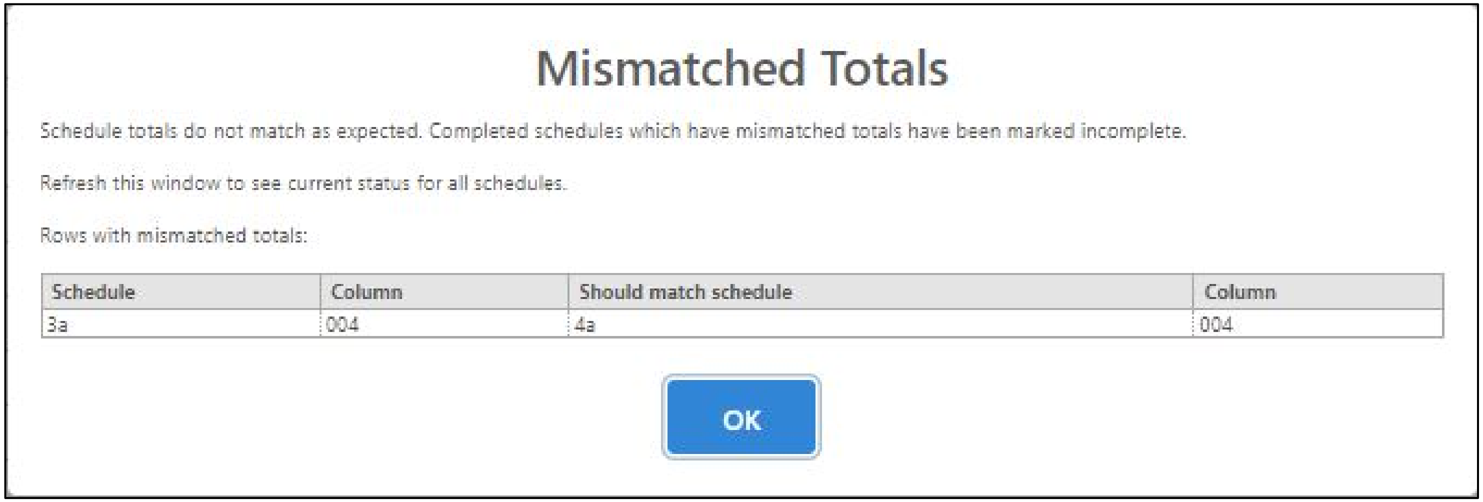
Common themes (continued)

Program Administration

Program Administration Edit Check

— In an effort to help providers correctly report program administration costs on Schedule 3 and Schedule 4, KPMG and DOH added a program administration edit check to the Web-based Tool to prevent submissions with different values.

— A pop-up message will appear to alert agencies of mis-matched values and will require a correction before the report may be submitted. See example below.



Common themes (continued)

Supporting Documentation

- Some helpful tips when putting together your supporting documentation include:
  - Use formulas to link tabs within Excel files.
  - Utilize the supporting documentation templates under the Useful Links section of Instructions Tab.
  - 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.
    - Please include a reconciliation of Schedule 3 costs to your agency's Financial Statements or Trial Balance.
  - Provide credible third party supporting documentation to validate the cost report and Excel files (e.g., system-generated statistical reports, audited financial statements, etc.).
    - Specifically, for Schedule 5 please provide a system generated summary of visits/hours report to substantiate the statistics reported.
  - Avoid submitting hand-written or hard-coded documentation, which is challenging to reconcile to the cost report and may lead to many follow up questions.
  - Provide a clear allocation crosswalk or explanation for each schedule that details the steps taken to allocate the agency information across the various entities operated within that agency. Allocation crosswalks should come in the form of an Excel file and should 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)
    - Specific formulas that were used to arrive at the percentages in the supporting documentation as well as an explanation as to why that allocation basis was used (e.g., service statistics).
  - Create a consistent file naming convention that will allow the auditors to easily identify what information can be found in a particular file. The Excel file name should reference any relevant cost report schedules.

Questions?

What if I am selected for audit?

What if I am selected for audit?

Overview

— Once the Home Care Cost Report and questionnaire responses are completed and submitted, KPMG can begin audit procedures.
  - If your agency is selected for audit, you will receive an Audit Notification Package from KPMG prior to the Audit Kickoff Webinar.
  - Note that the Audit Kickoff Webinar will occur in early December, 2021. KPMG will conduct audit procedures from December 2021 to March 2022.

— KPMG will conduct audit procedures in accordance with the Audit Program Guide (APG) that has been approved by DOH.

— The audit procedures will also be conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS)
  - https://www.gao.gov/assets/700/693136.pdf

— Note that all audit procedures and communication will occur directly in the Web-based Tool.

— 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 audit will be a review of each CHHA, LHCSA, or FI agency's 2020 Home Care Cost Report submission.
  - All agencies that submit a 2020 Home Care Cost Report will be subject to audit by KPMG.
  - The audit of the 2020 Home Care Cost Report will be the second year of audits conducted by KPMG. An annual audit of Home Care Cost Reports will continue to occur in the future.

What if I am selected for audit?

How should I prepare for the audit process?

- Prepare the data source supporting documentation that was used to complete each schedule of the cost report.
  - For additional guidance on the format of the supporting documentation files, providers should review the supporting documentation templates provided by KPMG and DOH. These templates can be accessed within the Instructions tab of the Web-based Tool, as well as on the DOH website.
- To help expedite the responses to follow-up questions from KPMG, below are some suggestions to keep in mind:
  - Provide third party support that verifies completeness and accuracy of the data in the cost report.
  - Explain and document the processes for gathering the data and completing the cost report.
  - 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.
  - Provide support that proves the allowable nature of data entered into the cost report.
- Ensure that the individual responsible for completing the cost report is also the individual responsible for responding to audit follow-up questions.
- Ensure that you are in communication with the individuals responsible for gathering data for each of the schedules in the cost report.
- After submitting your cost report, please complete the below tasks:
  1. Confirm that all documentation listed in the Documentation Requests tab of the Tool has been uploaded to the SFTP site and check off the "provided" box once complete
  2. Enter contact information in the Contact Information tab within the Tool
  3. Submit your agency representation within the Agency Representation tab of the Tool

What if I am selected for audit?

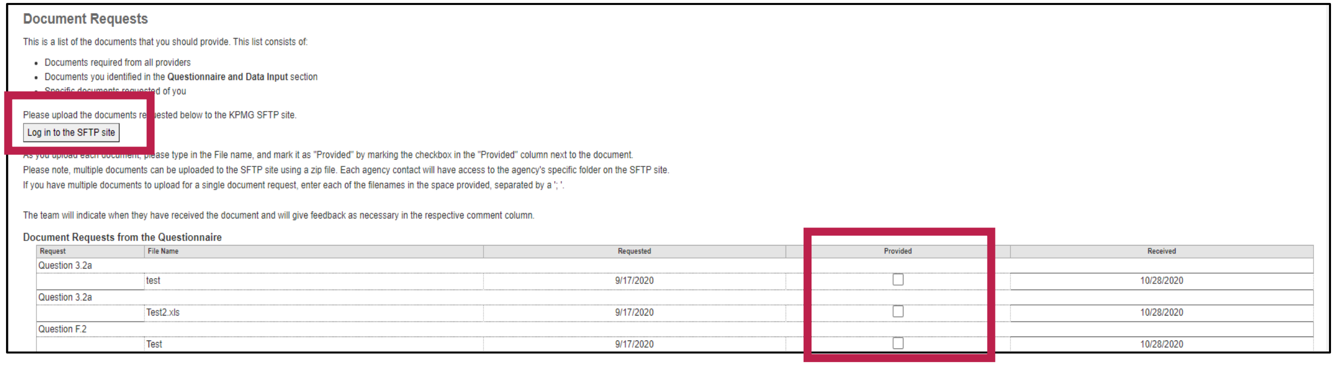
1. Complete Supporting Documentation Check

— 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.

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

- This tab was created 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, **please mark the checkbox in the "Provided" column next to each document name to indicate that the file has been uploaded.**
  — **Note that this tab needs to be completed within 7 calendar 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 requested below to the KPMG SFTP site.

Log in to the SFTP site

As you upload each document, please 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

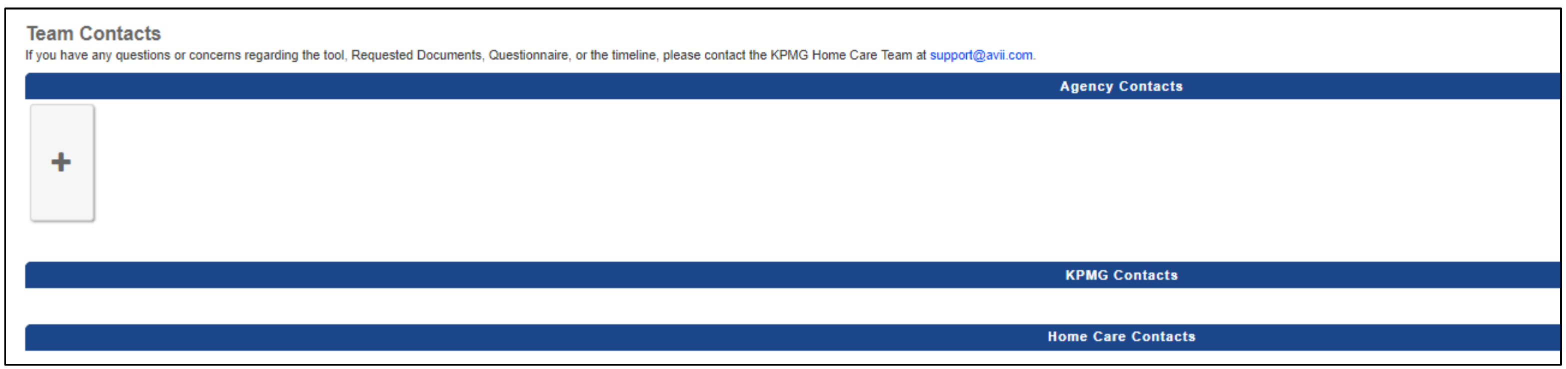
Request	File Name	Requested	Provided	Received
Question 3.2a				
	test	9/17/2020	☐	10/28/2020
Question 3.2a				
	Test2.xls	9/17/2020	☐	10/28/2020
Question F.2				
	Test	9/17/2020	☐	10/28/2020

What if I am selected for audit?

2. Enter Contact information

- 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.

- **Note:** The individuals entered in the Contact Information tab will receive email notifications whenever an inquiry or comment is posted within the Tool. Therefore, it is critical that all the individuals who will be responsible for responding to the audit team inquiries are listed in this tab.



What if I am selected for audit?

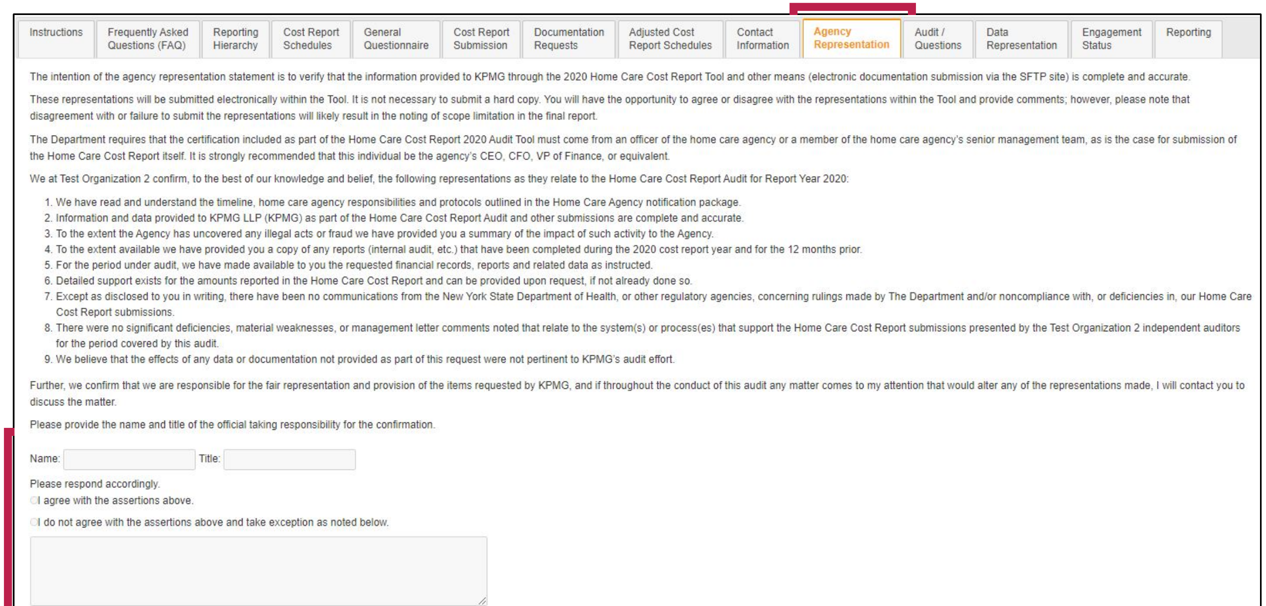
3. Submit the Agency Representation

— The intention of the agency representation statement is to verify that the information provided to KPMG through the 2020 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate.

— The agency representations will be submitted electronically within the Tool in the Agency Representation tab.

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

— The agency representation is required to be submitted before the audit procedures begin.



Instructions | Frequently Asked Questions (FAQ) | Reporting Hierarchy | Cost Report Schedules | General Questionnaire | Cost Report Submission | Documentation Requests | Adjusted Cost Report Schedules | Contact Information | Agency Representation | Audit / Questions | Data Representation | Engagement Status | Reporting

The intention of the agency representation statement is to verify that the information provided to KPMG through the 2020 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate.

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

The Department requires that the certification included as part of the Home Care Cost Report 2020 Audit Tool must come from an officer of the home care agency or a member of the home care agency's senior management team, as is the case for submission of the Home Care Cost Report itself. It is strongly recommended that this individual be the agency's CEO, CFO, VP of Finance, or equivalent.

We at Test Organization 2 confirm, to the best of our knowledge and belief, the following representations as they relate to the Home Care Cost Report Audit for Report Year 2020:

1. We have read and understand the timeline, home care agency responsibilities and protocols outlined in the Home Care Agency notification package.
2. Information and data provided to KPMG LLP (KPMG) as part of the Home Care Cost Report Audit and other submissions are complete and accurate.
3. To the extent the Agency has uncovered any illegal acts or fraud we have provided you a summary of the impact of such activity to the Agency.
4. To the extent available we have provided you a copy of any reports (internal audit, etc.) that have been completed during the 2020 cost report year and for the 12 months prior.
5. For the period under audit, we have made available to you the requested financial records, reports and related data as instructed.
6. Detailed support exists for the amounts reported in the Home Care Cost Report and can be provided upon request, if not already done so.
7. Except as disclosed to you in writing, there have been no communications from the New York State Department of Health, or other regulatory agencies, concerning rulings made by The Department and/or noncompliance with, or deficiencies in, our Home Care Cost Report submissions.
8. There were no significant deficiencies, material weaknesses, or management letter comments noted that relate to the system(s) or process(es) that support the Home Care Cost Report submissions presented by the Test Organization 2 independent auditors for the period covered by this audit.
9. We believe that the effects of any data or documentation not provided as part of this request were not pertinent to KPMG's audit effort.

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

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

Name: Title:

Please respond accordingly.

I agree with the assertions above.

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

What if I am selected for audit?

New field audit procedures

— During the 2019 Home Care Cost Report Audit, no field audit procedures were conducted. DOH will be selecting a portion of the agencies undergoing audit procedures for field audit procedures during the 2020 Home Care Cost Report Audit.

— Field audit procedures are more in-depth audit procedures that will be completed in addition to the standard desk audit procedures. These procedures will require the agency to provide additional information and documentation to KPMG for review.

- Note that “field audit” does not imply that we will be physically at your agency site. We expect audit procedures to continue to be performed remotely for the 2020 cost report year.

— During the 2020 Audit Kickoff Webinar, KPMG and DOH will communicate the additional documentation that will be requested from providers if they are selected for field audit procedures. Providers should be prepared with the documentation in advance of audit procedures.

What if I am selected for audit?

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.

Helpful resources and next steps

Helpful resources

Available Resources

Resources within the Web-based Tool

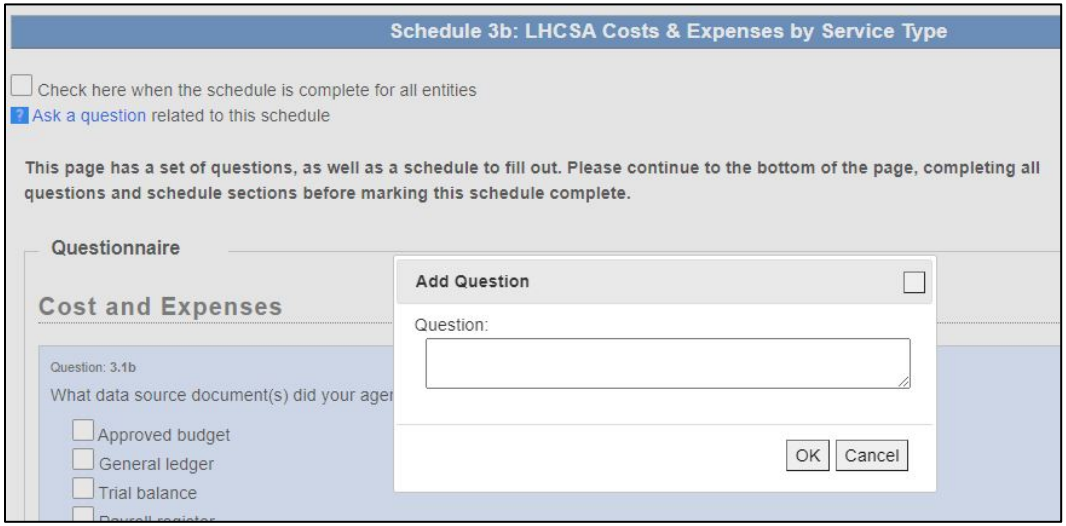
— In the Web-based Tool, you have access to the following resources within the Instructions Tab:
  - Cost Report Instructions (Both in the Instructions Tab drop downs and as a PDF download)
  - Description of the 2020 Outreach Program
  - 8/26 Initial Outreach Session PDF presentation and recording (for the 2020 Cost Report year)
  - 9/29 Outreach Session PDF presentation and recording (for the 2020 Cost Report year)
  - 10/21 Outreach Session PDF presentation and recording (for the 2020 Cost Report year)
  - Supporting Documentation Templates
  - Tutorial videos for the various components of the Web-based Tool
  - An Excel template of the cost report schedules (for reference; not submission)
  - PDF presentations and recordings of the 2019 Cost Report Year outreach sessions, including the 2019 Lessons Learned Webinar
  - Note many of these materials are also available on the DOH website at the following link: https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/.

Helpful resources (continued)

Asking questions in the Web-based Tool

— Please note that there is an “Ask a question” icon at the top of each schedule.

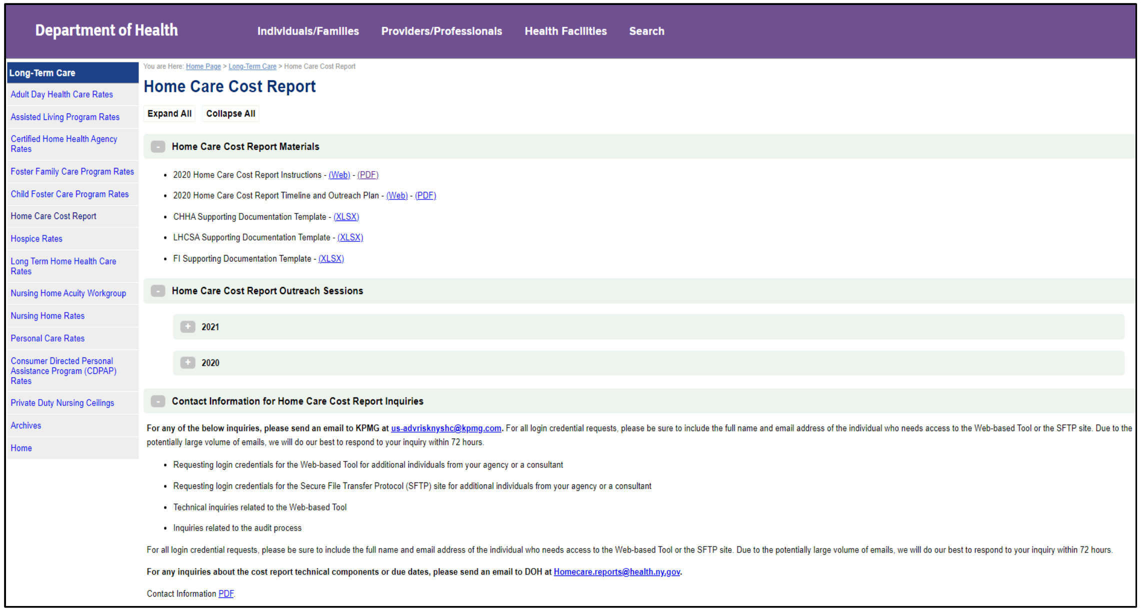
- If any questions arise during the cost report submission process that require an answer from DOH or KPMG, you may enter them in the designated text box that appears after clicking the icon.
- A repository of your questions with answers will be kept in the Provider Questions section of the Audit/Questions tab.
- Note that once KPMG provides a response within the Web-based Tool, you should receive a notification via email.
  - If you notice that there is a KPMG response to one of your previously asked questions, but you did not receive a notification via email, please send a note to us-advrisknyshc@kpmg.com detailing the issue.



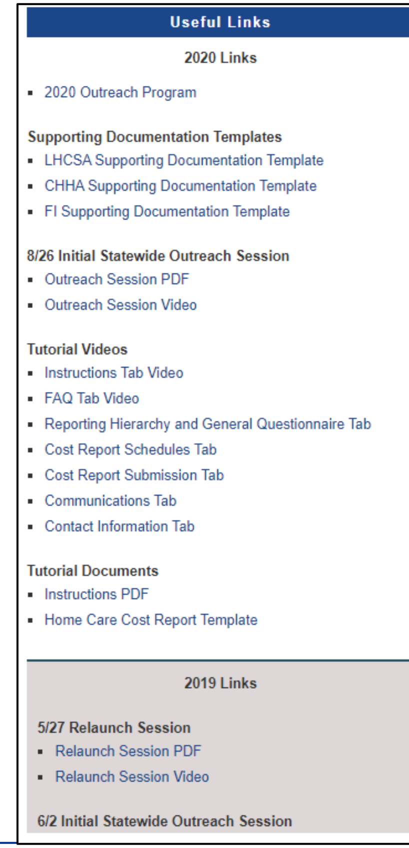
Helpful resources (continued)

DOH Website and Web-Based Tool Instructions Tab

DOH Website



Web-Based Tool Instructions Tab



Helpful resources (continued)

Upcoming Resources

Previous Outreach Session FAQs

— DOH and KPMG reviewed the Q&A and chat questions from the August, September, and October Outreach Sessions and put together FAQ documents for providers to reference.

— These document will be available to providers on the DOH website at the following link: https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/.

FAQs from the Monthly Outreach Session on September 29, 2021 for the 2020 Home Care Cost Report

Topic:
Web-based Tool

Q.1. Is the Web-based Tool link for the 2020 cost report the same as the 2019 cost report Tool link?
A.1. No, there is a different Web-based Tool link for the 2020 Home Care Cost Report. The 2020 link is https://desoto.certisphere.com/doh/homecare2020.

General

Q.2. Where can I find information about the Home Care Cost Report on the DOH website?
A.2. The Home Care Cost Report section of the DOH website can be found at the following link: https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/.

Q.3. Is the Home Care Cost Report different than the LHCSA statistical report?
A.3. Yes, the Home Care Cost Report and LHCSA Statistical Report are two different reports.

Cost Reporting

Q.4. On Schedule 5, if a patient had visits under two service types, should the patient be shown as a patient in both service type rows? Or would that considered double counting the patient? For example, if a patient had on Physical Therapy (PT) visit and two Occupational Therapy (OT) visits.
A.4. The 1 patient unit should either be entered into the one service type row that represents the most frequent service provided to the patient or allocated across the two service types. If the patient is entered into both service types, that would double count the patient. It is important to note that the units of service (i.e. visits or hours) should be reported in its correct service type row. Please be sure to explain how you reported this on Schedule 5 by providing an explanation or allocation crosswalk in your supporting documentation that must be uploaded to the SFTP site.

November Outreach Session PDF and recording

— This session's PDF and recording will be available for providers to reference within the "Instructions" tab of the Web-based Tool and on the DOH website.

Next steps

Next Steps

- Continue working through your Home Care Cost Report submissions due **November 15, 2021**
- 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.
- 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, or no later than **November 22, 2021.**
- KPMG will send out Audit Notification Packages to the agencies selected for 2020 Audit procedures. Please be on the lookout for this communication.
- DOH and KPMG will be hosting an Audit Kickoff Session for all agencies that are selected for the 2020 Home Care Cost Report Audit in early December.
  - Note that this session will be open to all home care providers, although agencies not selected for audit will not be required to attend.

Q&A period

Thank You

kpmg.com/socialmedia