



2021 Home Care Cost Report

September Outreach session



September 14, 2022



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 during the designated question periods throughout the presentation. 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
Remaining 2021 cost report timeline	DOH	5 minutes
Items to note	DOH	5 minutes
Cost report submission reminders	KPMG	5 minutes
Observations of initial cost report submissions		
– Workers' Recruitment & Retention (WR&R) costs	KPMG	15 minutes
– Contracting relationships		
– Allowable vs. non-allowable costs		
What if I get selected for audit?	KPMG	15 minutes
Next steps and helpful resources	KPMG	5 minutes
Q&A period	DOH/KPMG	10 minutes
		Total Time: 1 hour



Remaining 2021 cost report timeline

Activity	Responsible party	Dates
September Outreach Session	DOH/KPMG/Providers	September 14, 2022
Home Care Cost Report submissions are due*	Providers	September 20, 2022
Supporting documentation uploads to the SFTP site are due*	Providers	September 27, 2022
Department of Health (DOH) and KPMG to conduct an audit kickoff webinar prior to the beginning of the audit process**	DOH/KPMG/Providers	October 4, 2022
KPMG to conduct audits of the 2021 Home Care Cost Report submissions	KPMG/Providers	October 2022–January 2023
Lessons learned webinar to discuss successes, opportunities for improvement, and future-year suggestions	DOH/KPMG/Providers	TBD

* Supporting documentation is required to be submitted within seven days of your cost report submissions, or no later than September 27, 2022.

** The cost report submission and audit period has been moved up to better align with the rate-setting timeline and will continue to move up in future cost report years.



Items to note

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 September 20, 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 2021 data that will be used to set 2023 Medicaid reimbursement rates.
- As a reminder, there are 21 new edit checks in the 2021 Tool. If a potential error is identified, a warning message will appear when the agency attempts to mark the schedule as complete.
 - **These warning messages will not prevent you from submitting the cost report.** While DOH and KPMG encourage providers to correct all errors related to these warning messages before the September 20th submission deadline, providers may proceed with cost report submission despite the warning message.

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Cost report submission reminders

Cost report submission

Submitting the 2021 Home Care Cost Report – Marking schedules as complete

- To submit the cost report, you must first complete all schedules and check off the “Check here when the schedule is complete for all entities” checkbox in the top left corner of the schedule to mark each schedule as complete. If a schedule is marked as complete, you will see a green checkmark next to that schedule.
- Additionally, to be able to submit the cost report you must complete the General Questionnaire. There is no “submit” button for the General Questionnaire tab, but once all questions have been completed you will be able to move forward with your submission.

The screenshot shows the 'Cost Report Submission' interface. At the top, there is a navigation bar with tabs: Instructions, Frequently Asked Questions (FAQ), Reporting Hierarchy, **Cost Report Schedules**, Financial Reconciliation, **General Questionnaire**, Cost Report Submission, Documentation Requests, Contact Information, Agency Representation, Audit / Questions, Data Representation, and Reporting. The 'Cost Report Schedules' and 'General Questionnaire' tabs are highlighted with red boxes.

Below the navigation bar, the 'Cost Report Submission' section is displayed. On the left, a list of schedules is shown, each with a green checkmark indicating completion. A red box highlights this list. The 'Schedule 1: General Information - Agency' form is expanded. A red box highlights the checkbox 'Check here when the schedule is complete for all entities', which is checked. Below it, there is a link 'Ask a question related to this schedule' and a button 'View validation warnings for all submitted schedules'. A 'Print Schedule' link is also visible.

Agency Information		001	
Name of Agency	001	Test Organization	
Federal Tax ID	002	12-123456	
Agency Type (Proprietary, Voluntary, or Public)	003	Proprietary	
Address Line 1	004	test	
Address Line 2	005		
City	006	City	
State	007	NY	
Zip	008	12345	
Contact Person:			
Name	009	Liaison Person	
Title	010	Liaison	
Telephone Number	011	555-555-1212	
E-Mail address	012	pl@dontmail.com	

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Cost report submission (continued)

Submitting the 2021 Home Care Cost Report – Executive-level sign-off

- The submission of the completed Home Care Cost Report occurs in the Cost Report Submission tab.
- 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	Financial Reconciliation	General Questionnaire	Cost Report Submission	Documentation Requests	Adjusted Cost Report Schedules	Contact Information	Agency Representation	Audit / Questions	Data Representation
Engagement Status	Reporting											

Home Care Cost Report		Reporting Period From: 1/1/2021 To: 12/31/2021	Date: Time:
Agency Certification			
Agency Name:	Test Organization		
Tax ID Number:			
Number of CHHA Entities:	0		
Number of LHCSA Entities:	0		
Number of FI Entities:	0		
CERTIFICATION BY OFFICER OR ADMINISTRATOR OF AGENCY(S)			
<p>I HEREBY CERTIFY THAT I HAVE EXAMINED THE INFORMATION CONTAINED IN THE HOME CARE COST REPORT FOR THE PERIOD BEGINNING 1/1/2021 AND ENDING 12/31/2021, 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.</p> <p>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 and is not necessarily the staff person completing the survey tool.</p> <p>Please ensure that the individual signing for the completion and accuracy of the Tool responses is the Agency CFO or CFO.</p>			
Name:	<input style="border: 2px solid red;" type="text"/>	Title:	<input style="border: 2px solid red;" type="text"/>



Cost report submission (continued)

Submitting the 2021 Home Care Cost Report – Warning messages

- When you click “submit” in the Cost Report Submission tab, you may see a warning message appear, such as the one in the image below. Warning messages that appear in the submission tab are related to inconsistencies identified between the General Questionnaire and Cost Report Schedules.
- Please note that these warning messages will **not** prevent you from submitting the cost report. While DOH and KPMG encourage providers to correct all errors related to these warning messages before the September 20th submission deadline, providers may proceed with cost report submission despite the warning message.

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 1/1/2021 AND ENDING 12/31/2021, 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:

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.15 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.15 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.).

For additional instructions on Schedule 5 reporting, please review pages 24-28 of the Home Care Cost Report Instructions.

The reporting of direct care contracted services on Schedule 3 is not consistent with the response to G.13a of the General Questionnaire. Please review the below information related to reporting direct care contracted services on Schedule 3 and correct this error before submitting the Home Care Cost Report.

- If your agency provides direct care services (e.g., Home Health Aide or Personal Care services) to another home care agency, your agency is the subcontractor.
 - 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 "Other non-allowable services" row within Column 005 (Program Aide Direct Care) on Schedule 3.

Please see pages 5 and 6 of the Home Care Cost Report Instructions for detail on contracting relationships. For additional instructions on the proper reporting of direct care contracted services, please [click here](#).



Cost report submission (continued)

Submitting the 2021 Home Care Cost Report – Submission status

- 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.

The screenshot shows the 'Cost Report Submission' interface. At the top, there is a navigation menu with tabs for 'Instructions', 'Frequently Asked Questions (FAQ)', 'Reporting Hierarchy', 'Cost Report Schedules' (highlighted), 'Financial Reconciliation', 'General Questionnaire', 'Cost Report Submission', 'Documentation Requests', 'Contact Information', 'Agency Representation', 'Audit / Questions', 'Data Representation', and 'Reporting'. A red box highlights the text 'Cost Report submitted' in the top right corner of the main content area.

Below the navigation menu, the 'Cost Report Submission' section is displayed. It includes a list of schedules (Schedule 1 through 9b) with green checkmarks indicating completion. A checkbox is checked with the text 'Check here when the schedule is complete for all entities'. A link 'Ask a question related to this schedule' is visible. A button 'View validation warnings for all submitted schedules' is also present.

The main form is titled 'Schedule 1: General Information - Agency'. It contains a table with the following data:

Agency Information		001	
Name of Agency	001	Test Organization	
Federal Tax ID	002	12-123456	
Agency Type (Proprietary, Voluntary, or Public)	003	Proprietary	
Address Line 1	004	test	
Address Line 2	005		
City	006	City	
State	007	NY	
Zip	008	12345	
Contact Person:		009	
Name	009	Liaison Person	
Title	010	Liaison	
Telephone Number	011	555-555-1212	
E-Mail address	012	pl@dontmail.com	

A 'Print Schedule' link is located at the top right of the form area.





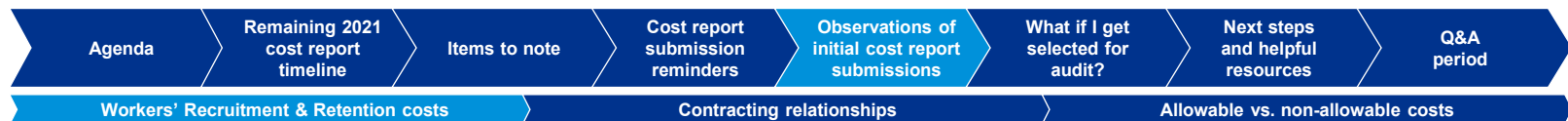
Observations of initial cost report submissions

Common themes

Workers' Recruitment & Retention (WR&R) costs – What are they?

- Per PHL – S.3614 (9) and SSL 367-q, most home care agencies receive an annual WR&R rate add-on. The WR&R rate add-on is additional revenue that home care agencies must spend on recruitment, training, and retention costs.
- **WR&R costs are any costs incurred for the purposes of recruiting and retaining the agency's staff.** While there is not a predefined list of expenses that are considered WR&R costs, a list of examples are included below.* Examples of expenses that qualify as WR&R costs include, but are not limited to:
 - Overtime pay
 - Retention or hiring bonuses
 - Salary increases
 - Incentive pay
 - Wellness programs
 - Mental health and stress management resources
 - Childcare assistance/benefits
 - Sabbatical

*This list of WR&R costs will also be added to the cost report instructions document.



Common themes (continued)

Workers' Recruitment & Retention (WR&R) costs – Where are they reported?

— Total WR&R costs should be reported on Schedule 10, within Column 001 (WR&R Costs to Entity).

Schedule 10a: CHHA WR&R and Staff Turnover							
	WR&R Costs to Entity (Public Health Law 3614, Section 8)	WR&R Costs to Entity (Public Health Law 3614, Section 9)	Employees as of 1/1	Employees as of 12/31 (003+006-007)	Employees retained as of 12/31 who were employed on 1/1	Employees Hired Between 1/1 and 12/31	Employees Separated From Entity During the Year
	001	002	003	004	005	006	007
Direct Care							
Job Type:							
Personal Care Aide	001	<input type="text"/>	<input type="text"/>	0.00	<input type="text"/>	<input type="text"/>	<input type="text"/>
Nursing	002	<input type="text"/>	<input type="text"/>	0.00	<input type="text"/>	<input type="text"/>	<input type="text"/>

— WR&R costs should also be reported on Schedule 3; however, on Schedule 3, WR&R costs should be separated into allowable and non-allowable, depending on how much WR&R revenue was received in 2021.

- To properly report the WR&R Costs on Schedule 3, the agency should subtract the WR&R revenue received in the specific cost report year from their total WR&R costs. Any WR&R costs in excess of the WR&R revenue received should be reported as allowable (in Column 004 Program Administration, Column 005 Program Aide, Column 006 Program RN Supervision/Assessment, or Column 007 Program Staff Training), and the amount covered by the WR&R revenue should be reported as non-allowable (in Column 002 Non-allowable Costs) on Schedule 3.
- Please review pages 7–9 of the Home Care Cost Report instructions or the July Outreach session materials and recording for detail on how to calculate WR&R costs and estimate WR&R revenue, if necessary.



Common themes (continued)

Reporting of contracting relationships – Who reports costs as allowable?

- Many agencies have contracting relationships with other agencies for the delivery of *direct care services*. For example, a CHHA might contract out home health aide services to a LHCSA.
 - Only one agency will be directly reimbursed for its costs by Medicaid, which is the agency contracting out the direct care service. Therefore, it is important that direct care contracting service expenses are reported properly on Schedule 3, which is the schedule used to capture all of the agency's costs.
- To properly report contracting service expenses on the cost report, the agency must first understand whether they are the agency contracting out the service (primary contractor) or the agency delivering the service (subcontractor).
 - **The agency contracting out the direct care services** should report the associated costs as allowable on the Home Care Cost Report. These costs will be reported in Column 009 (Contracted Purchased Services) within the applicable service type row on Schedule 3.
 - Any costs that the agency paid for the contracted service(s) is the amount that should be reported in Column 009 of Schedule 3.
 - **The agency acting as a subcontractor** should *not* report these services as allowable. The subcontractor should report any costs related to performing the contract services within the “Other non-allowable services” (row 009) in “Program Aide Direct Care” (Column 005) on Schedule 3.
 - The agency acting as the subcontractor should report the actual costs incurred while providing these 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.), not the amount they were paid for those subcontracted services.

In summary: Primary Contract = Allowable | Subcontractor = Non-allowable



Common themes (continued)

Reporting of contracting relationships – New warning message

- Question G.13 of the General Questionnaire asks agencies to indicate whether they have any contracting relationships with other agencies for the delivery of direct care services.
- If you answer “yes,” question G.13a will appear and ask for more details regarding this contracting relationship. You should note whether your agency contracts out services or acts as a subcontractor, and provide the additional details requested as shown in the image below.
- Note that there is an automatic tool check in place that compares your response to question G.13/G.13a to Schedule 3 of the cost report. If there is a discrepancy between how you reported costs on schedule 3 and your response to question G.13, you will receive an warning message in the “Cost Report Submission” tab. This warning message will not prevent submission.
 - For example, if you indicate in G.13 that you contract out direct care services, but there are no costs reported in Column 009 (Contracted Purchased Services) on Schedule 3, a warning message will appear with guidance on how to properly report the costs for the direct care services that are contracted out.

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Workers' Recruitment & Retention costs

Contracting relationships

Allowable vs. non-allowable costs

Common themes (continued)

Allowable vs. non-allowable costs

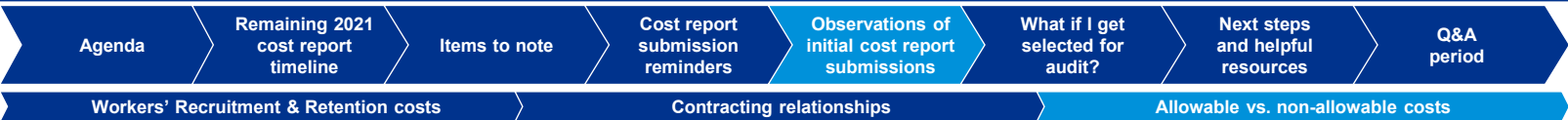
Agencies are required to differentiate between allowable and non-allowable costs on Schedule 3 and Schedule 4 of the Home Care Cost Report.

- Allowable costs should be reported in Columns 004 through 010 of Schedule 3 and Schedule 4.
- Non-allowable costs should be reported in Column 002 of Schedule 3 and Schedule 4.

Allowable Costs

Per the Home Care Cost Report instructions, allowable costs are determined by the application of the principles of reimbursement developed for determining payments under Title XVIII of the Federal Social Security Act (Medicare) program. On the Home Care Cost Report, costs that are directly related to the provision of direct patient care services are considered to be allowable in determining reimbursement rates.

- Allowable costs shall include, but are not limited to, the following:
 - Direct Care Worker salary/compensation costs and fringe benefits, and payroll taxes associated with these employees
 - Program RN supervision/assessment salary/compensation costs, and fringe benefits and payroll taxes associates with these employees
 - Program Staff Training Costs for both direct care and administrative employees, net of WR&R revenue
 - Transportation-related costs for direct care workers, such as gas and mileage
 - Expenditures associated with direct care services provided by agencies or individuals who are not employees of the agency/entity; the agency contracting out the direct care services should report the expenditure as allowable
 - Any administrative and general costs, such as administrative salaries/fringe benefits/taxes, capital related costs, rent, interest, utilities, depreciation, office expenses/supplies, administrative transportation costs, insurances, etc.
 - Marketing/advertising expenses for the purpose of attracting potential employees
 - Metropolitan Commuter Transportation Mobility (MTA) tax
 - Other costs that can be directly related to the provision of patient care services



Common themes (continued)

Allowable vs. non-allowable costs

Non-Allowable Costs

Per the Home Care Cost Report instructions, costs that are not associated with the provision of patient care are considered to be non-allowable in determining reimbursement rates.

- Non-Allowable costs shall include, but are not limited to, the following:
 - Meal and entertainment costs
 - Marketing/advertising costs for the purposes of attracting patients
 - NYS Cash receipt assessment tax or HFCAP
 - Any interest charged related to rate determination or penalty imposed by government agencies or courts, and the costs of policies obtained solely to insure against the imposition of such a penalty
 - Costs of contributions or other payments to charitable organizations or political parties, candidates, or organizations
 - The interest paid to a lender related through control, ownership, affiliation, or personal relationship to the borrower, except in instances where the approval of the Commissioner of Health has been obtained (for costs incurred on or after January 1, 1992)
 - Expenses that were funded through the WR&R revenue received through the rate add-on
 - The "rate add-on" is the additional reimbursement amount providers receive for WR&R. Since providers receive a separate reimbursement for this activity, it should be recorded as a non-allowable cost in the Home Care Cost Report. Only amounts in excess of the "rate add-on" should be recorded as allowable.
- Non-allowable costs should be recorded as positive values (actual costs). The sum of the allowable costs (Column 003) and the non-allowable costs (Column 002) reported on Schedule 3 should equal the agency's total costs (Column 001).

Note: Bad debt should be treated as an offset to revenue and should not be reported with costs on Schedule 3a, Schedule 3b, or Schedule 3c.



Common themes (continued)

Allowable vs. non-allowable costs

Non-allowable
Allowable

Schedule 3b: LHCSA Costs & Expenses by Service Type

LHCSA Name	LHCSA New York									
LHCSA County	Total Entity Cost (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Cost (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	0
PC: Level II	002	0		0	0	0	0	0	0	0
PC: Level II - Hard to Serve	003	0		0	0	0	0	0	0	0
Live-in	004									
Nursing Supervision	005	0		0	0	0	0	0	0	0
Nursing Assessment	006									
Shared Aide: Level I	007									
Shared Aide: Level II	008									
Other non-allowable services	009	0		0	0	0	0	0	0	0
GRAND TOTAL	010									





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. The Audit Kickoff Webinar will occur on October 4, 2022. KPMG will conduct audit procedures from October 2022 to January 2023.
 - Note that if your agency is *not* selected for audit, you will receive a notification from KPMG and DOH after the Audit Kickoff Webinar.
- 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 most 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 2021 Home Care Cost Report submission and supporting documentation.
 - All agencies that submit a 2021 Home Care Cost Report may be subject to audit by KPMG.
 - The audit of the 2021 Home Care Cost Report will be the third year of audits conducted by KPMG. An annual audit of Home Care Cost Reports will continue to occur in the future.

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What if I am selected for audit? (continued 01)

How should I prepare for the audit process?

- Ensure that data source supporting documentation that was used to complete each schedule of the cost report has been uploaded to the Secure File Transfer Protocol (SFTP) site.
 - For additional guidance on the format of the supporting documentation files, providers should review the supporting documentation templates provided by KPMG and DOH, including the cost report preparation policies and procedure template. 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 (i.e., cost report preparation policies and procedures).
 - 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 following 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.
 4. Complete the Financial Reconciliation tab of the Tool (this step is optional unless you are selected for audit).

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What if I am selected for audit? (continued)

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 cross walk file that demonstrates the allocation methodology used.

Questionnaire

Cost and Expenses

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

Approved budget
 General ledger
 Trial balance
 Payroll register
 Other

If other, please describe

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

File Name	Actions
Schedule 3a	<input type="button" value="Edit"/> <input type="button" value="Delete"/>

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What if I am selected for audit? (continued)

1. Complete supporting documentation check (continued)

- 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 seven calendar days of your cost report submissions (same timeframe as the requirement to upload all supporting documentation).
 - Once you confirmed that all files have been provided and checked off the “provided” checkbox for each, please click the “Submit Documentation Requests” button in the top right corner of the tab.

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

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What if I am selected for audit? (continued)

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 audit 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.

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

Test Organization Contacts

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KPMG Contacts

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DOH Contacts

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3. Complete the Agency Representation tab

- The intention of the agency representation statement is to verify that the information provided to KPMG through the 2021 Home Care Cost Report Tool and other means (electronic documentation submission via the SFTP site) is complete and accurate. You should not submit the Agency Representation tab until the cost report has been submitted and the supporting documentation check has been completed.
- 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.

The screenshot shows the 'Agency Representation' tab in the Home Care Cost Report Tool. The tab is highlighted in red. The form contains the following text:

The intention of the agency representation statement is to verify that the information provided to KPMG through the 2021 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 2021 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 2021:

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 2021 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.

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4. Complete the Financial reconciliation tab (optional unless selected for audit)

- If you have not done so already, please complete the Financial Reconciliation tab of the Tool. Any agencies selected by DOH for audit procedures will be required to complete this tab. For that reason, we encourage all agencies to complete this tab in case they are selected for audit.
- The purpose of this tab is to reconcile the total entity costs reported on Schedules 3a, 3b, and/or 3c to the agency's Financial Statement documentation, to help ensure that all appropriate costs were included on Schedule 3.

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

documentation. To help ensure that all appropriate costs were included on Schedule 3, please note that the completion of this tab is optional for all agencies; however, any agencies selected by LHM for audit procedures will be required to complete this tab. For that reason, we encourage all agencies to complete this tab.

Please complete the reconciliation table below by:

- Entering the dollar amount in the "Total expenses per CY 2021 Financial Documentation" row which should tie to the total expenses per your Financial Statements.
- Selecting a "reconciling item" from the drop down menu below. If the item does not fall into one of the pre-populated categories, select the "Other" option.
- Entering a description of the reconciling item.
- Entering the name of the supporting documentation where the reconciling item can be located in the supporting documentation provided, including a tab, column, or page number.
- Entering the dollar amount of the reconciling item in 2021.

If there are multiple reconciling items, please use the "add reconciling item" button to add another row. Once all reconciling items have been entered, the sum of the "Reconciling items included in Financial Documentation, but not in the data reported on Schedule 3" and "Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation" amounts will be subtracted from "Total expenses per CY 2021 Financial Documentation" to calculate the value in the "Total expenses adjusted for reconciling items" row. This calculation shows an adjusted total expense amount which reflects the reconciled expenses.

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

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

Financial Statement Reconciliation						
Total expenses per CY 2021 Financial Documentation:					Dollar Value	Supporting Documentation File Location
					100000	
Reconciling items included in Financial Documentation, but not in the data reported on Schedule 3: Add reconciling item.						
Item Number	Reconciling Item	Description of Reconciling Item	Supporting Documentation File Location	2021 Dollar Value	Additional Comments	
1	Bad Debt Expense	test	test	10000	test	
Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation: Add reconciling item.						
Item Number	Reconciling Item	Description of Reconciling Item	Supporting Documentation File Location	2021 Dollar Value	Additional Comments	
Sum of reconciling items included in Financial Documentation, but not in the data reported on Schedule 3				\$10,000		
Sum of reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation				\$0		
Total expenses adjusted for reconciling items				\$90,000		
Total entity costs per Schedule 3 of Cost Report Schedules tab				\$90,000		
Unreconciled dollar value				\$0		
Unreconciled percentage				0.00 %		

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Field audit procedures

- Similar to the 2020 cost report audit, field audit procedures will be conducted on a portion of agencies selected by DOH for 2021 audit procedures.
- 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 2021 cost report year.
- If your agency is selected for 2021 field audit procedures, you will be asked to provide the additional documentation listed below:
 1. Transaction detail (general ledger detail) for any contracted services expense reported on Schedule 3, in the “Contracted Purchased Services” Column (009)
 2. Transaction detail for advertising/marketing costs and WR&R Costs
 3. Year-to-date (YTD) payroll registers and employee listing that includes job titles
 4. Patient-level statistical data reports that were used to complete Schedule 5

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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 kickoff, 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.





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Expectations and upcoming activities



Once logged into the Tool, agencies should complete the “Reporting Hierarchy” tab, which will allow them to access the “Cost Report Schedules” tab containing the cost report schedules to complete.

- Further instructions for proper web-based Tool navigation can be found on the Instructions tab of the Tool.

Complete the Home Care Cost Report submission using 2021 calendar year data.

Actively participate in the Home Care Cost Report Outreach Program activities to maximize the support available throughout the cost report submission and audit process.

Submit the 2021 Home Care Cost Report by Tuesday, September 20, 2022.

- **Submit all supporting documentation to the SFTP site no later than Tuesday, September 27, 2022.**

For those agencies selected for audit, participate in the Audit Kickoff webinar to be held on October 4, 2022, and engage your audit team and respond timely to questions and requests.

DOH will access the data submitted for the purposes of rate setting.

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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 2021 Outreach Program
- Supporting Documentation templates
 - Agencies are strongly encouraged to review these templates and use them as guidance when compiling their supporting documentation for the 2021 cost report.
- Cost report preparation policy and procedure template
- 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, 2020, and 2021 cost report year outreach sessions, including the 2019 and 2020 Lessons Learned webinars
- 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/.

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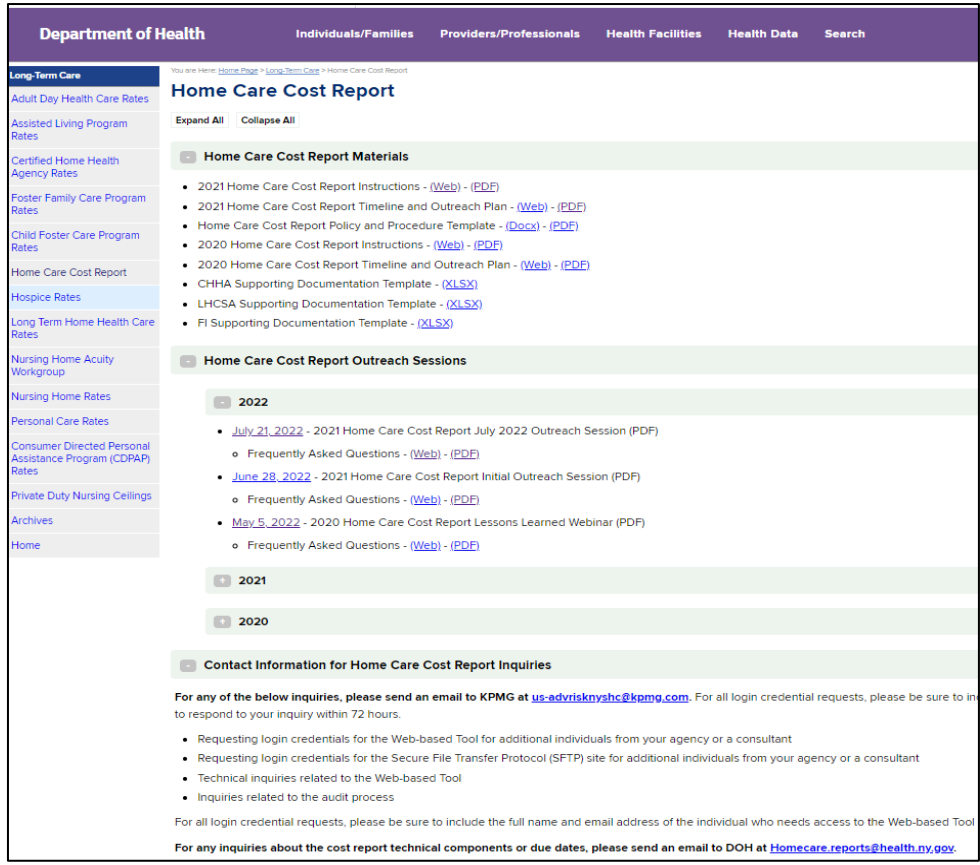
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DOH website



Web-based tool instructions tab



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Resources within the web-based tool

August Outreach Session FAQs

- DOH and KPMG reviewed the Q&A and chat questions from the August 23rd Outreach session and released an FAQ document for agencies to reference.
 - This document will be available to agencies on the DOH website at the following link: https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/.

September Outreach Session PDF and recording

- Today's session PDF and recording will be available for agencies to reference within the "Instructions" tab of the web-based Tool and on the DOH website shortly after this session.

Upcoming Audit Kickoff webinar

- This session will be held on October 4, 2022 at 1 p.m. More information regarding this session, including Webex details, will be sent out to providers in the coming weeks.

FAQs from the 2021 Home Care Cost Report August Outreach Session held on August 23, 2022	
<i>Topic:</i>	
<i>Web-based Tool</i>	<p>Q.1. If I receive an error message while completing my cost report that I am confused about, do I have to email the Home Care mailbox or can I use the 'Ask a question' feature in the tool? A.1. If you have a question while completing the cost report, you may use either the 'Ask a question' feature in the tool or email the KPMG Home Care mailbox (us-advrisknyshc@kpmg.com) and someone from KPMG or DOH will assist you.</p> <p>Q.2. Will the agencies selected for audit be notified prior to the October 4th Audit Kickoff Webinar? A.2. Yes, the agencies selected by DOH for 2021 audit procedures should be notified prior to the October 4, 2022 Audit Kickoff Webinar, via email. Once DOH has finalized the list of auditees, KPMG and DOH will send an email out to all providers that were not selected for audit to notify them they will not undergo 2021 audit procedures. This communication is expected to be delivered after the Audit Kickoff Webinar.</p>
<i>Cost Reporting</i>	<p>Q.3. If my agency does not provide services in a county but has expenses such as recruiting costs in that county, should that county still be reported as an entity within the Reporting Hierarchy tab? A.3. For LHCSAs and FIs, entities are identified by county of service. If you did not provide any services in a county (i.e., had no patients being served in that county), then it should not be reported as an entity within the Reporting Hierarchy tab. Overhead and administrative expenses, such as recruiting costs, should be allocated across the various entities reported in the cost report. For CHHAs, entities are defined by operating certificate, so an entity should be reported for each Operating certificate the agency is providing Medicaid services under.</p> <p>Q.4. How should we complete the Financial Reconciliation tab if our Financial Statements are reported on a fiscal period of July through June, and not a calendar year period (i.e., January through December)? A.4. If your Financial Statements are reported on a fiscal year basis, you may use a Trial Balance or General Ledger to show your total expenses for the calendar year (i.e., January through December). However, you must provide a credible, system-generated Trial Balance or General Ledger within your supporting documentation.</p> <p>Q.5. If an entity provides only "nonallowable" services, should that entity still be reported on the Home Care Cost Report? A.5. If an entity provides non-allowable services only, it may be omitted from the cost report. However, the agency will need to provide a reconciliation from the 'Total Entity Cost' value reported on Schedule 3 to the total expenses per Financial Statements, or complete the Financial Reconciliation tab, to show that the variance is due to the non-allowable entity that was omitted from Schedule 3.</p>



Helpful resources (continued)

Web-based tool information buttons

- KPMG implemented **16 new information buttons** throughout the 2021 Tool that agencies can select for relevant instructions and/or guidance materials on a particular data input or schedule. Providers are encouraged to click on these information buttons to assist them during the cost report submission period.
- Information buttons are denoted throughout the Tool with question mark symbols, as shown in the image below.

Schedule 3b: LHCSA Costs & Expenses by Service Type									
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

All costs should be reported on Schedule 3, 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 nonallowable (e.g., meal expenses and political contributions) costs.

- Important note: The "Total Entity Costs" value on Schedule 3 should reconcile to the total expenses per the agency's Financial Statements. If an agency operates multiple entity types, then the sum of the "Total Entity Costs" on Schedule 3a, 3b and/or 3c should reconcile to total expenses per Financial Statements.

Please see pages 11-18 of the Home Care Cost Report Instructions for detailed instructions on Schedule 3 reporting.

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Thank you



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