



2022 Home Care Cost Report Audit Kickoff



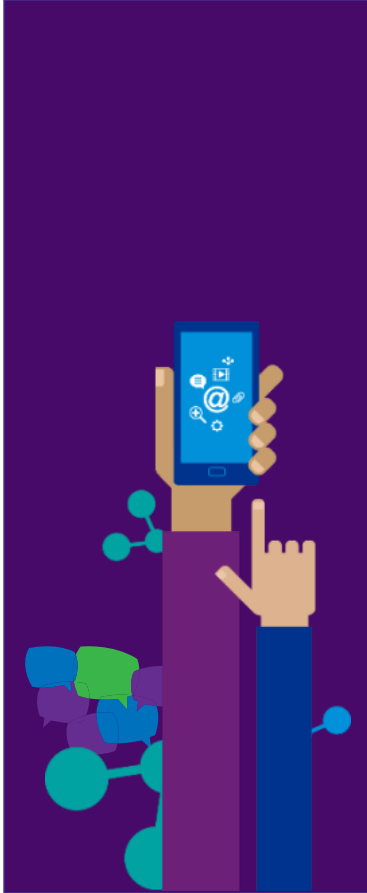
September 13, 2023



Outreach session protocols

Protocols

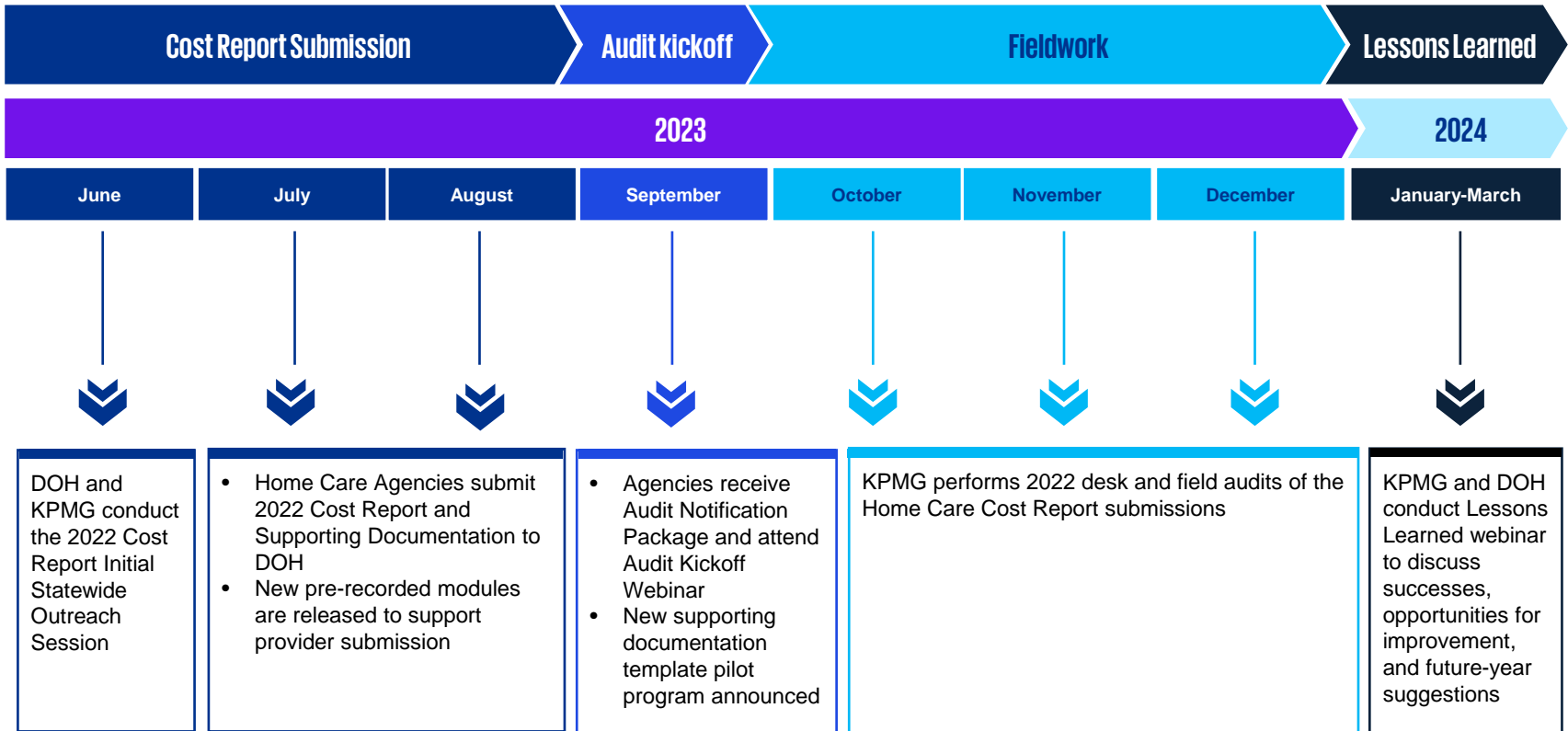
- Please note that participants will be on mute for the duration of the session.
- If you have questions during the presentation, please enter them via the Q&A feature in Webex. DOH and KPMG will either answer the questions during this session or add the question and response to the list of FAQs, if applicable.
- Note that questions should be limited to Home Care Cost Report and Audit matters only.



Agenda

Topic	Speaker	Time
Timeline	DOH	5 minutes
Audit process	KPMG	15 minutes
Web-based tool (“Audit/Questions” tab)	KPMG	15 minutes
What if I get selected for field audit?	KPMG	10 minutes
Next steps	KPMG	5 minutes
Q&A period	DOH/KPMG	10 minutes
	Total Time:	60 minutes

2022 Timeline



Auditee selection

Items to note

- The Department of Health selected Home Care agencies for audit for the 2022 cost report year.
- If your agency has been selected by DOH for audit, you should have received an Audit Notification Package from KPMG (us-advrisknyshc@kpmg.com).
 - Please **do not** send an email to the KPMG mailbox asking if your agency has been selected for audit as this communication will be initiated by KPMG.
 - Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all messages have been sent.
- KPMG will conduct audit procedures from September 2023 to December 2023.





Audit process

Audit overview

Overview

— Audit goals:

- Review, analyze, test, and verify financial and statistical records to determine whether appropriate data was included in each agency's Home Care Cost Report submission.
- Gain an understanding of Home Care agency data tracking and reporting systems.
- Promote uniform standards for data submission and collection.
- Improve compliance and reporting through training and outreach.

— Audit scope:

- All agencies that submit a 2022 Home Care Cost Report may be subject to audit.
- The audit will be a desk and field review of the CHHA, LHCSA, or FI entities operated by the agencies selected for audit by the Department.
- Desk procedures will include a review of cost report Schedules 3, 4, 5, and a portion of Schedule 19.

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

- The audit procedures will also be conducted in accordance with the *Generally Accepted Government Auditing Standards (GAGAS)*

<https://www.gao.gov/assets/700/693136.pdf>

Audit Notification Package

Audit Notification Package

- Most agencies selected for audit have been notified via the Audit Notification Package at this time.
- The purpose of the Audit Notification Package is to communicate details and set expectations to assist in your continued preparation for the Home Care Cost Report audit.
- The Audit Notification Package includes the following:
 - Audit timeline and process
 - Key phases of the audit
 - Data collection
 - Communications
 - Next steps and key resources
 - Documentation requests details
 - Agency representation details

Key phases of the audit



Phase	Key milestones	Associated agency activities
I. Kickoff	— Auditee notification	Identify appropriate professionals to be involved in the audit.
	— Planning/Prefieldwork	Review audit-related webinars, including new pre-recorded modules , posted in the “Useful Links” section of the Home Care Tool and attend the Audit Kickoff webinar. New!
	— Audit-related webinars	Enter agency contacts in the “Contact Information” tab.
		Review and confirm agreement with the agency representation statement within the “Agency Representation” tab of the Home Care Tool.
		If not already complete, complete the “Financial Reconciliation” tab by entering the total expenses per your agency’s financial statements along with any reconciling items that may cause a variance between Schedule 3 and your financial statements.
II. Fieldwork	— Desk audit procedures	Help resolve any data issues.
	— Field audit procedures (if applicable)	Provide supporting documentation as requested by assigned auditors.
		Provide additional supporting documentation required for field audit procedures, if applicable.
		Respond to questions presented by audit team.
		Execute the required adjustments within the “Adjusted Cost Report Schedules” tab of the Tool if errors are identified during the Audit.
		Reconfirm data representation in the “Data Representation” tab of the Home Care Tool, if adjustments were submitted during the Audit. Review findings/adjustments before release of the Exit Dashboard .

Key phases of the audit (continued)



Phase	Key milestones	Associated agency activities
III. Closeout	<ul style="list-style-type: none"> Review and agree/disagree to Findings within the "Potential Findings" subtab, if applicable. 	<p>Review the "Potential Findings" subtab within the Audit/Questions tab of the Home Care Tool and select "Agree" or "Disagree" for each potential finding listed.</p>
	<ul style="list-style-type: none"> Management response, if applicable 	<p>Review and provide management response on each finding and/or observation on the Exit Dashboard, if applicable.</p>
	<ul style="list-style-type: none"> Final Exit Dashboard 	<p>Sign off in the "Dashboard Signoff" section to finalize the Exit Dashboard.</p>

Audit process

Data collection and protocols

Supporting documentation and inquiries:

- At this point, all supporting documentation that was used to complete the Home Care Cost Report should have been uploaded to the SFTP site.
- Throughout the audit process, KPMG audit teams will follow up with your agency requesting clarification or explanations for certain items, or additional documentation to be submitted.
 - Agencies are expected to provide the requested information within **three business days of the audit team request**.
 - All additional supporting documentation should be uploaded via the SFTP site.

Protocols:

- **Inability to provide complete data:** If an agency is unable to provide data in the format prescribed within the scope of the audit, a finding will be documented and shared with DOH.
- **Nonresponsiveness:** If an agency does not provide a response to an audit request or is completely nonresponsive, the audit team will send a follow-up email to the contacts noted within the Tool. If the agency does not respond within three business days, a finding will be documented and shared with DOH.
- NOTE: The data reported on the 2022 Home Care Cost Report, specifically on Schedules 3, 4, 5, and 7, will be used to set 2024 Medicaid reimbursement rates.
 - If adjustments are made throughout the audit process, DOH will use the adjusted (corrected) 2022 cost report data for 2024 rates.

Reminder...

Tasks to complete prior to audit procedures



Four tasks to complete

If you have not already done so, there are four tasks auditees must complete prior to beginning audit procedures. These tasks are listed below and described in further detail on the following slides.

Review the **“Documentation Request” tab** in the Web-based Tool and confirm that you have uploaded all the supporting documentation files listed in this tab to the SFTP site by checking off the **“Provided”** boxes.



Review and submit your agency’s representation via the **“Agency Representation” tab** of the Tool.



Complete the **“Financial Reconciliation” tab** in the Tool by entering the total expenses per your agency’s financial statements along with any reconciling items that may cause a variance between Schedule 3 total costs and your financial statements.



Enter your agency’s contact information in the **“Contact Information” tab** of the Tool.



Tasks to complete prior to audit procedures (continued)

1. Complete supporting documentation check

- As you are aware from completing the 2022 Cost Report, 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:
 1. The first question asks you to indicate the type of supporting documentation used to complete the particular schedule (check all that apply).
 2. The second question asks you for the name of the supporting document(s) as well as the name of the crosswalk file(s) that demonstrates the allocation methodology used.

The screenshot shows a web-based questionnaire interface. At the top, it says 'Questionnaire' and 'Cost and Expenses'. Question 3.1a asks for data source documents used, with checkboxes for 'Approved budget', 'General ledger', 'Trial balance' (checked), 'Payroll register', and 'Other'. Below it is a text box for 'If other, please describe'. Question 3.2a asks for file names of supporting documents and crosswalk files. It includes a table with one row containing 'Schedule 3a' and 'Actions' (Edit, Delete) buttons. An 'Add Row' button is at the bottom.

File Name	Actions
Schedule 3a	Edit Delete

Reminder...

Tasks to complete prior to audit procedures (continued)

1. Complete supporting documentation check (continued)

- The supporting documentation names that you enter will flow through to the **“Documentation Requests”** tab.
 - This tab was created to serve as the central location for listing all documents that will need to be submitted.
 - After your documents have been uploaded to the SFTP site, **please mark the checkbox in the “Provided” column next to each document name to indicate that the file has been uploaded.**
- Note that this tab should have been completed within seven calendar days of your cost report submissions (same timeframe as the requirement to upload all supporting documentation).
- Once you have confirmed that all files have been provided and checked off the “provided” checkbox for each, please click the **“Submit Documentation Requests”** button in the top right corner of the tab.

The screenshot displays two parts of the system interface. On the left, the 'Questionnaire' section for 'Cost and Expenses' shows 'Question 3.1a' with a list of document sources: 'Approved budget', 'General ledger', 'Trial balance' (checked), 'Payroll register', and 'Other'. Below this is 'Question 3.2a' with a table for entering file names. The 'File Name' column contains 'Schedule 3a' and the 'Actions' column has 'Edit' and 'Delete' buttons. A red box highlights the 'File Name' cell, and a callout points to the 'Documentation Requests' tab on the right.

On the right, the 'Documentation Requests' tab is active. The navigation menu at the top includes 'Instructions', 'Frequently Asked Questions (FAQ)', 'Reporting Hierarchy', 'Cost Report Schedules', 'Financial Reconciliation', 'General Questionnaire', 'Cost Report Submission', 'Documentation Requests' (highlighted), 'Contact Information', 'Agency Representation', and 'Audit / Questions'. Below the menu, a 'Submit here' callout points to the 'Submit Documentation Requests' button. A 'Check “Provided” here' callout points to a checkbox in the 'Provided' column of the 'Documentation Requests from the Cost Report Schedules Questions' table. The table has columns for 'Request', 'File Name', 'Provided', and 'Received'. The first row shows 'Question 3.2a' and 'Schedule 3a' with a checked checkbox in the 'Provided' column.

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

Document name entered in Schedule tab flows into Document Request tab

Tasks to complete prior to audit procedures (continued)

2. Submit the agency representation

- The intention of the agency representation statement is to verify that the information provided in the 2022 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.
- These representations are required to be submitted before the audit procedures begin and must be complete by the date outlined in the Audit Notification Package.

The intention of the agency representation statement is to verify that the information provided to KPMG through the 2022 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 2022 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 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 2022.

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 2022 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 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.

Tasks to complete prior to audit procedures (continued)

3. Complete the “Financial Reconciliation” tab

- If you have not done so already, please complete the **“Financial Reconciliation”** tab of the Tool.
- The purpose of this tab is to reconcile the total entity costs reported on Schedules 3a, 3b, and/or 3c to the agency's Financial Statement documentation, to help ensure that all appropriate costs were included on Schedule 3.
 - For further detail on how to complete this tab, please review the instructions at the top of the “Financial Reconciliation” tab or review the PDF or listen to the pre-recording from the Home Care Cost Report Web-based Tool Walkthrough Module, which is available in the “Useful Links” section of the “Instructions” tab of the Tool.
- This tab is required to be submitted before the audit procedures begin and must be complete by the date outlined in the Audit Notification Package.

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

Reporting

Enter the Home Care Cost report instructions, Schedule 3 or the Home Care Cost report should include an agency's total expenses including direct care personnel costs, administrative personnel costs, non-personnel costs, and non-allowable costs. As such, the total entity costs per Schedule 3 or the cost report schedules tab should reconcile to the total expenses per the agency's Financial Statements for the calendar year being reported. The purpose of this Financial Statement Reconciliation 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. Please note that the completion of this tab is optional for all agencies; however, 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.

Please complete the reconciliation table below:

- Entering the dollar amount in the "Total expenses per CY 2022 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 2022.

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 2022 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 Costs" 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 2022 Financial Documentation:	Dollar Value	Supporting Documentation File Location
	100000	test file
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
		2022 Dollar Value
		Additional Comments
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
		2022 Dollar Value
		Additional Comments
Sum of reconciling items included in Financial Documentation, but not in the data reported on Schedule 3		\$0
Sum of reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation		\$0
Total expenses adjusted for reconciling items		\$100,000
Total entity costs per Schedule 3 of Cost Report Schedules tab		\$609
Unreconciled dollar value		\$99,331
Unreconciled percentage		99.33 %

Tasks to complete prior to audit procedures (continued)

4. Enter contact information

- In the “**Contact Information**” tab of the Web-based Tool, enter the contact information for all of the individuals responsible for making audit-related decisions and responding to inquiries.
 - These individuals may be the same people who are listed in the Reporting Hierarchy section, but please be sure to include all individuals from the agency who will be involved in the audit process.
- **Note:** The individuals entered in the “Contact Information” tab will receive email notifications whenever an inquiry or comment is posted within the Tool. Therefore, it is critical that all the individuals who will be responsible for responding to the audit team inquiries are listed in this tab.

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-advisrisknysbc@kpmg.com

Test Organization Contacts

+

KPMG Contacts

+

DOH Contacts

+

Communications

Communication information

Audit kickoff:

- Upon commencement of the audit, you will receive an introduction communication from the audit team assigned to your agency.
- Once this communication is received, you will be able to reach out to the audit team via email with any 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 within each subtab, or audit area, listed below**. This tab comprises the following subtabs:
 1. Documentation requests follow-up
 2. General questionnaire follow-up
 3. Financial statement follow-up
 4. Direct care follow-up
 5. Program administration follow-up
 6. Service statistics follow-up
 7. Medicaid Revenue follow-up
 8. Field Audit Procedures (only used when applicable)
 9. Potential findings (once released)

Communications

Communication information

Communication methods:

- These communications are done through comments within each subtab, as shown in the example below.
- This creates an audit trail of agency-specific questions for each audit area for easy reference throughout the audit by the agency, audit team, or DOH.

A screenshot of a communication interface showing two comments. The first comment is blue and reads "#1 - KPMG user rmuncil@kpmg.com - about a minute ago" followed by "Test comment". A blue callout bubble points to it, stating "Audit team inquiries will appear in blue." The second comment is yellow and reads "#2 - Provider Test_Provider2@avii.com - less than a minute ago" followed by "Test response". A yellow callout bubble points to it, stating "Agency responses will appear in yellow." To the right of the second comment is a red-bordered button labeled "Add Comment...". A yellow callout bubble points to this button, stating "Agencies can respond to audit inquiries by using the 'Add comment' button."

In the next section, we will walk through the subtabs that represent each each audit area where procedures are conducted to clarify when and why the audit team would post a follow-up question during the audit.



Web-based tool
("Audit/
Questions" tab)

“Audit/Questions” tab structure

“Audit/Questions” tab

— There are nine subtabs in the “Audit/Questions tab, where audit procedures will be conducted by the audit team.

The screenshot displays the 'Audit/Questions' tab interface. At the top, there is a navigation bar with various subtabs: Instructions, Frequently Asked Questions (FAQ), Reporting Hierarchy, Cost Report Schedules, Financial Reconciliation, General Questionnaire, Cost Report Submission, Budgeted Cost Report Schedules, Budgeted Cost Report Submission, Documentation Requests, Agency Representation, Extensions, and Adjusted Cost Report Schedules. Below this, a secondary navigation bar includes Contact Information, **Audit / Questions** (highlighted with a red box), Data Representation, Engagement Status, Provider Questions, and Reporting.

The main content area is titled 'Audit/Questions' and features a left-hand navigation menu with the following items: Sign-off Summary, Documentation Requests Follow-up, General Questionnaire Follow-up, Financial Statement Follow-up, Direct Care Follow-up, Program Administration Follow-up, Service Statistics Follow-up, Medicaid Revenue Follow-up, Field Audit Procedures, Previous Findings Follow-up, and Potential Findings. The 'Audit / Questions' subtab is highlighted with a red box.

The main content area is divided into two sections. The top section is titled 'Follow Up Questions' and includes a 'Page is locked' checkbox (checked) and an 'Add Question...' button. Below this, there are two dropdown menus for 'Manager Sign-off' and 'Senior Sign-off', both set to '-- Choose an item --'. The bottom section is titled 'IFC Item Summary' and contains the following information:

IFC Item Summary	Question:
IFC Number: 19 Last updated: 8/9/2023 Created: 8/9/2023 Status: Open Requested By: KPMG	Location: Question G 5 Question: G.5 For the 2022 cost report year and for the 12 months prior, were there any fraud investigations performed on your agency? Yes, the fraud investigation(s) noted below were performed on our agency. If yes, in the text box below please provide a summary of the results, as well as soft copies of the draft or final report(s). test

Below the table, there is an 'Actions' section with three checkboxes: 'Viewable by Provider' (unchecked), 'Viewable by Department' (unchecked), and 'Question Resolved' (unchecked). At the bottom, there is a 'KPMG Comments/Conclusions' field and an 'Add Comment...' button.



Documentation Requests Follow-up

1. “Documentation Requests Follow-up” subtab

- The “Documentation Requests Follow-up” subtab is the location where audit teams can add requests for missing and/or additional documentation.
- Agencies should submit all requested documentation to the SFTP site within the requested timeframe of three business days.

Audit/Questions

Documentation Requests Follow-up

Please upload all requested documents to the SFTP site by clicking on the "Log In to the SFTP Site" button. Please refer to the SFTP site section within the Questionnaire & Data Input tab for additional guidance on using the SFTP site.

[SFTP Site](#)

IFC Item Summary	Documentation request:
IFC Number: 1 Last updated: 9/13/2023 Created: 9/7/2023 Status: Open Requested By: KPMG	We do not see the following documentation: <input type="text"/> <input type="button" value="Add Comment..."/>



General Questionnaire Follow-up

2. “General Questionnaire Follow-up” subtab

Background and purpose

- In the “General Questionnaire Follow-up” subtab, the audit team will be reviewing the responses provided in the “General Questionnaire” tab.
- Follow-up questions from audit teams will be related to the questions flagged in the “General Questionnaire Follow-up” subtab.
- Any audit inquiries related to General Questionnaire responses will be posted directly in the “General Questionnaire Follow-up” subtab as shown in the image below (blue comment box). Agencies can respond directly in the tab by adding a comment (as shown below).

IFC Item Summary | **Question:**

IFC Number: 2
Last updated: 9/6/2023
Created: 8/15/2023
Status: Open
Requested By: KPMG

Location: Question

Question: G.2
Does your agency have any affiliate or parent agencies for which you submitted a separate Home Care Cost Report?
If yes, please complete the chart below related to the affiliate agency (or agencies) for which you submitted a separate cost report.

No

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

#1 - KPMG user rmuncil@kpmg.com - 9 minutes ago
Test Audit Inquiry

Add Comment...



Financial Statement Follow-up

3. “Financial Statement Follow-up” subtab

Background and purpose

- In the “Financial Statement Follow-up” subtab, the audit team will be reviewing the total costs reported on Schedule 3 (summation of Column 001 [Total Entity Costs]) for each provider type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was reported on the cost report versus the information found in the supporting documentation and “Financial Reconciliation” tab.
- Communication between the audit team will occur directly in the “Financial Statement Follow-up” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 3 Costs and Financial Statements requiring follow-up:

5.1.3
Using the agency's supporting documentation, identify the total entity costs for each entity type that the agency operates and enter the value(s) in the "Total entity cost per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or \$1,000.

CHHA Total Entity Costs	
Total Entity Costs Per Cost Report	1,114,000.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="1,200,000.00"/>
Variance %	7.72 %
Variance (Dollars)	86,000.00
LHCSA Total Entity Costs	
Total Entity Costs Per Cost Report	2,093,926.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="2,012,000.00"/>
Variance %	-3.91 %
Variance (Dollars)	-81,926.00
FI Total Entity Costs	
Total Entity Costs Per Cost Report	1,360,933.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="1,354,000.00"/>
Variance %	-0.51 %
Variance (Dollars)	-6,933.00

Direct Care Follow-up

4. "Direct Care Follow-up" subtab

Background and purpose

- In the "Direct Care Follow-up" subtab, the audit team will review the direct care costs reported in the following columns of Schedule 3 for each provider type (CHHA, LHCSA, and/or FI):
 - Program Aide (Direct Care)
 - Program RN Supervision/Assessment (Direct Care)
 - Program Staff Training
 - Transportation
 - Contracted Purchased Services
 - Other
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was reported on the cost report versus the information found in the supporting documentation
 - Reimbursable nature of the information being reported
- Communication between the audit team will occur directly in the "Direct Care Follow-up" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 3 Costs and Supporting Documentation requiring follow-up:

6.1.2
2 Using the agency's Schedule 3 supporting documentation, identify the direct care Column 006 – 011 totals per the supporting documentation for each entity type that the agency operates, and enter the value(s) in the "Total costs per supporting documentation" row in the table(s) below. Investigate any variances greater than 1% or \$1,000.

CHHA Direct Care Costs (Schedule 3a)						
	Program Aide (Direct Care)	Program RN Supervision/ Assessment (Direct Care)	Program Staff Training	Transportation	Contracted Purchased Services	Other
Total Costs Per Cost Report	607,000.00	0.00	115,000.00	140,000.00	0.00	0.00
Total Costs Per Supporting Documentation	590,000.00	0.00	98,000.00	125,000.00	0.00	0.00
Variance %	-2.80 %	0.00 %	-14.78 %	-10.71 %	0.00 %	0.00 %
Variance (Dollars)	-17,000.00	0.00	-17,000.00	-15,000.00	0.00	0.00



Program Administration Follow-up

5. “Program Administration Follow-up” subtab

Background and purpose

- In the “Program Administration Follow-up” subtab, the audit team will review the program administration costs reported in Column 005 (Program Administration) of Schedule 3 and Column 001 (Program Administration) of Schedule 4, for each provider type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was reported on the cost report versus the information found in the supporting documentation
 - Reimbursable nature of the information being reported
 - Alignment between Schedule 3 and Schedule 4 Program Administration columns
- Communication between the audit team will occur directly in the “Program Administration Follow-up” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 4 Costs and Supporting Documentation requiring follow-up:

7.1.2

Using the agency's supporting documentation, identify the total program administration cost value on Schedule 3 (Column 005) and Schedule 4 (Column 001) for each entity type that the agency operates, and enter the value(s) in the “Total costs per supporting documentation” row in the table(s) below. Investigate any variances greater than 1% or \$1,000.

CHHA Program Administration Costs			
	Program Administration (Schedule 3a)	Program Administration (Schedule 4a)	Variance between Schedule 3 and 4 Program Administration total
Total Costs Per Cost Report	0.00	10.00	-10.00
Total Costs Per Supporting Documentation	<input type="text" value="110"/>	<input type="text" value="9"/>	101.00
Variance %	100.00 %	-10.00 %	
Variance (Dollars)	110.00	-1.00	



Service Statistics Follow-up

6. "Service Statistics Follow-up" subtab

Background and purpose

- In the "Service Statistics Follow-up" subtab, the audit team will review the service statistics reported in each service type row on Schedule 5, for each provider type (CHHA, LHCSA, and/or FI).
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was reported on the cost report versus the information found in the supporting documentation
 - Reimbursable nature of the information being reported
- Communication between the audit team will occur directly in the "Service Statistics Follow-up" subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 5 Statistics and Supporting Documentation requiring follow-up:

8.1.2
Using the agency's supporting documentation, identify the total visits/hours for each entity type and service type, and enter the value(s) in the "Total visits/hours per supporting documentation" column in the table(s) below. Investigate any variances greater than 1% or 1,000 units.

CHHA Pediatric Service Statistics (Schedule 5a.1)				
	Total Visits/Hours Per Cost Report	Total Visits/Hours Per Supporting Documentation	Variance %	Variance (Dollars)
Home Health Aide	500.00	475.00	-5.00 %	-25.00
Home Health Physical Therapy	200.00	100.00	-50.00 %	-100.00
Home Health Occupational Therapy	0.00	0.00	0.00 %	0.00
Home Health Registered Nurse	10,550.00	9,000.00	-14.69 %	-1,550.00
Home Health Medical Social Services	0.00	0.00	0.00 %	0.00
Home Health Nutrition	0.00	1.00	100.00 %	1.00
Home Health Speech Therapy	50,000.00	43,870.00	-12.26 %	-6,130.00
Home Health Respiratory Therapy	10,000.00	3,219.00	-67.81 %	-6,781.00
Home Social & Environmental Support	0.00	5,000.00	100.00 %	5,000.00
Home Health Sign Language/Oral Interpreter	0.00	0.00	0.00 %	0.00
Nursing Supervision	0.00	0.00	0.00 %	0.00
Nursing Assessment	0.00	0.00	0.00 %	0.00
Other Non-Reimbursable Services	0.00	0.00	0.00 %	0.00
Personal Care Services	0.00	0.00	0.00 %	0.00



Medicaid Revenue Follow-up

7. “Medicaid Revenue Follow-up” subtab

Background and purpose

- In the “Medicaid Revenue Follow-up” subtab, the audit team will review the Medicaid Revenue reported for FFS and Managed care on Schedule 19.
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was reported on the cost report versus the information found in the supporting documentation
- Communication between the audit team will occur directly in the “Medicaid Revenue Follow-up” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Schedule 19 Revenue and Supporting Documentation requiring follow-up:

9.1.2
Using the agency's supporting documentation, identify the total Medicaid Managed Care and/or Medicaid Fee-for-service revenue amounts, and enter the value(s) in the "Total revenue per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or \$1,000.

Medicaid Revenue (Schedule 19)			
	Medicaid Fee-for-Service Revenue	Medicaid Managed Care Revenue	Total Medicaid Revenue
Total Revenue per Cost Report	1,000,000.00	5,000,000.00	6,000,000.00
Total Revenue Per Supporting Documentation	900,000.00	4,900,000.00	5,432,909.00
Variance %	-10.00 %	-2.00 %	-9.45 %
Variance (Dollars)	-100,000.00	-100,000.00	-567,091.00

Field Audit Procedures

8. “Field Audit Procedures” subtab

Background and purpose

- In the “Field Audit Procedures” subtab, the audit team will review the sample invoices provided by the agency for information on reported on Schedule 4 and 5.
- Follow-up questions from audit teams may be related to the following:
 - Supporting documentation submitted (or lack thereof)
 - Discrepancies between what was found in the supporting documentation compared to the sample invoices
- Communication between the audit team will occur directly in the “Field Audit Procedures” subtab (blue and yellow communication boxes as shown previously).

Example of discrepancy identified between Administrative Expenses and Supporting Documentation requiring follow-up:

10.1.2

Document the field audit review procedures conducted on administrative expenses



Add Comment...



Cost Report adjustments

Adjustments

As a result of the audit procedures conducted in each of the subtabs within the “Audit/Questions” tab, the audit team may identify error(s), and adjustment(s) to the cost report may be necessary to correct the error(s).

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

1. Large, multicell and/or multischedule adjustments are needed

- If review procedures are conducted and it is determined that there are errors in the way information was reported that would lead to multiple adjustments across several column/rows/schedules, the audit team will request that the agency make adjustments to the cost report.
- In this situation, the audit team will send a detailed adjustment communication to the agency outlining the adjustments to be made. The audit team will also set up a conference call or meeting with the agency to walk through the communication and requested adjustments.
 - The agency will then be **required** to complete and submit the requested adjustments within the “Adjusted Cost Report Schedules” tab of the Tool. Agencies will have one week upon receipt of the adjustment request to submit the requested adjustments in the Tool.

2. Minor adjustments are needed

- If review procedures are conducted and it is determined that only a small adjustment is necessary, the Audit team may make the adjustment directly in the Tool, with the agency’s permission.
- If adjustments are made during the audit process, the adjusted cost report data will be used for rate setting, not the original data.
- NOTE: If an adjusted cost report is submitted, the agency will be required to submit the “Data Representation Statement” to certify that all data entered in the “Adjusted Cost Report Schedules” tab and provided in the adjusted supporting documentation is accurate to the best of their knowledge.

Potential Findings

“Potential Findings” subtab

Overview:

- Any potential findings, subfindings, and observations identified by the audit teams will be listed in the “Potential Findings” subtab.
 - Audit **findings** are the result of issues identified during audit procedures, such as:
 - Insufficient supporting documentation
 - Misreporting of reimbursable versus non-reimbursable costs
 - Discrepancies between supporting documentation and the data reported on the cost report
 - Each finding has a corresponding Audit **subfinding**, which provides a greater level of detail on the issue resulting in the finding.
 - **Observations** do not represent audit findings, but reflect items that KPMG and DOH believe would help educate the Home Care agency and increase reporting compliance in future Home Care Cost Report years.
- Findings will quantify the value of the impact for the identified issue (e.g., \$50,000 worth of non-reimbursable costs were reported as reimbursable costs), whenever possible.
 - This will allow audit teams and agencies to both fully understand the issue so an appropriate adjustment(s) may be made, if necessary.
 - NOTE: Findings may be qualitative if the audit team is unable to quantify the issue with the supporting documentation provided.

Exit Dashboard

Exit Dashboard

The Exit Dashboard lists all of the findings, subfindings, and observations noted throughout the Audit, along with a detailed description of the condition.

Agencies will be given five business days after receipt of the Exit Dashboard to provide a management response to the findings.

- If no management response is provided within that timeframe, then the final dashboard will be provided to the Department of Health without a management response.
- The goal is to have all questions resolved *before* the Exit Dashboard is released to the agency for response. As such, please try to resolve any questions regarding findings noted in the **“Potential Findings”** tab during the audit procedures and not during the Exit Dashboard process.

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

Agency Name	Test Organization 2
Federal Tax ID Number	12-123456
Number of CMS Entities	2
Number of LMSA Entities	1
Number of FI Entities	1
Desk / Field Audit	Desk

This Exit Dashboard (Dashboard) presents the results of the Home Care Cost Report Audit for Report Year 2019 for the agency named above. The audit was conducted on behalf of the State of New York Department of Health (the Department) by KPMG LLP (KPMG). The audit results presented herein are as of the date of this dashboard and include the following information:

- **Summary of Findings and Observations:** Presents findings and/or observations identified during the Home Care Cost Report audit, including the cost report schedule and/or audit tab for which the finding relates, and the specific condition giving rise to the finding. Where applicable, detail is provided related to the adjustments made to the Home Care Cost Report submission as a result of the audit process. In addition, the findings indicate whether or not the necessary adjustments were properly executed.

For each finding noted, the agency has the opportunity to present a Management Response and Corrective Action Plan in the space provided. Please provide a response to each finding and/or observation and submit to KPMG by entering the name and title of the agency representative taking responsibility for the audit on behalf of the agency and selecting the “submit” button at the bottom of this page. This individual should be the person with overall responsibility for the Home Care Cost Report audit on behalf of the agency and is not necessarily the person who completed the Home Care Cost Report submission; it is strongly recommended that this individual be the agency’s CEO, CFO, VP of Finance, or equivalent. All responses must be submitted within five days of receipt of this dashboard.

All responses provided by management will be included as is in the final version of the Exit Dashboard to be provided to the Department. Any questions or concerns related to the information presented in the Dashboard must be communicated to KPMG by the agency within five business days after the information presented, and any corresponding management response(s) will be considered final. If your agency disagrees with a finding contained within this Exit Dashboard, please notify your audit team immediately so the issue can be addressed and escalated to the Department as required. Should these findings change based on final review by the Department or KPMG, the agency will be notified.

Before providing a Management Response and Corrective Action Plan, please read the below excerpt from Public Health Law §3612(3) and Social Services Law §365-14-4:

- Public Health Law §3612(8): “The commissioner may require a health home or licensed home care services agency to report on the costs incurred by the health home or licensed home care services agency in rendering health care services to Medicaid beneficiaries. The department of health may specify the frequency and format of such reports, determine the type and amount of information to be submitted, and require the submission of supporting documentation.”
- Social Services Law §365-14-4: “The commissioner may require a fiscal intermediary to report on the direct care and administrative costs of personal assistance services as accounted for by the fiscal intermediary. The department may specify the frequency and format of such reports, determine the type and amount of information to be submitted, and require the submission of supporting documentation.”

Procedures performed did not constitute an audit of financial statements in accordance with Government Auditing Standards or U.S. Generally Accepted Auditing Standards. KPMG was not engaged to, and did not, render an opinion on the agency’s internal controls over financial reporting or over financial management systems. The results of the audit procedures performed will be described in a single, statewide report to the Department; a standalone agency-specific report will not be issued as part of this audit.

On behalf of the Department and KPMG, we thank you for your continued support and commitment. If you have any questions, please contact your KPMG engagement team via phone or by email.

Summary of Findings:

Finding	Subfinding	Comment	Location	Agreement	Management Response
12. Improper reporting of Service Statistics: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. The 2019 Home Care Cost Report instructions provide guidance for the correct Service Statistics reporting methodology.	c. An adjustment to the cost report was required as a result of the agency reporting FI units of services in the incorrect service type category (Schedule C). The adjustment was properly executed during audit procedures.	KPMG Finding Note	Document Request/Commentation Request language	No Answer Yet	



What if I am
selected for field
audit procedures?

Field audit procedures



- A portion of the agencies undergoing standard 2022 desk audit procedures will be selected by DOH for additional "field" audit procedures.
 - If your agency opted into the pilot program and submitted supporting documentation using the DOH-approved template, you will not be subject to field audit procedures in 2022.
- Field audit procedures include a more in-depth set of audit procedures that will be completed in addition to the standard "desk" audit procedures. These procedures will require the agency to provide additional information and documentation to the audit team for review.
 - Note that "field audit" does not imply that we will be physically going to the agency site. We expect all Field audit procedures to continue to be performed remotely for the 2022 cost report year.
- If your agency is selected for field audit procedures, you will be receiving a communication from your assigned audit team over the coming week.
 - This communication will detail all necessary next steps, including the additional documentation required to be provided for field audit procedures.
 - Note that agencies will have two weeks after receiving this communication to upload the requested documentation to the SFTP site.

Field audit procedures (continued)



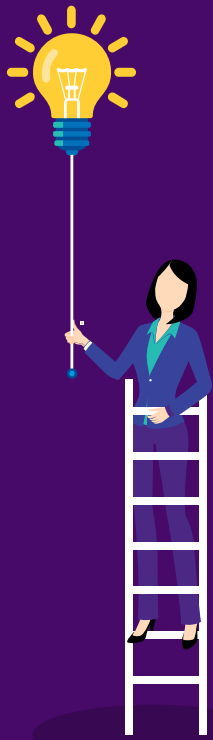
- Field audit procedures will be conducted for **administrative expenses (Schedules 3 and 4) and service statistics (Schedule 5)**.
- If your agency is selected for audit procedures, you will be asked to provide the additional documentation listed below:
 1. Transaction detail (general ledger detail) from the Trial Balance for the expense accounts that were categorized as “Other” on Schedule 4.
 2. Transaction detail (general ledger detail) for the two capital cost rows (rows 002-003 or 005-011) on Schedule 4, with the largest dollar values reported (greater than \$50,000).
 3. Patient level statistical data reports that were used to complete Schedule 5a.1 and Schedule 5a.2.
- We encourage all 2022 auditees to begin compiling this documentation so that they are prepared in the event that they are selected for 2022 field audit procedures.



Next steps

Next steps

Next steps



1. If you have not already received this, be on the lookout for an Audit Notification Package from us-advrisknyshc@kpmg.com (will only be sent to agencies selected for audit).
 - Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all auditees have been notified.
2. Complete the supporting documentation check within the “Documentation Requests” tab of the Web-based Tool.
3. Submit your agency’s representation via the “Agency Representation” tab of the Tool by the date communicated in the Audit Notification Package (further details are also covered in the notification package).
4. If not already completed, complete the “Financial Reconciliation” tab of the Web-based Tool.
5. Enter the following contact information in the “Contact Information” tab of the Tool for each individual involved in the 2022 audit:
 - Individual’s first and last name
 - Title
 - Phone number
 - Email
6. Please be on the lookout for an introduction communication from your assigned audit team.
7. Please be on the lookout for an email confirming whether your agency has been selected for **field** audit procedures over the next week and prepare the additional files accordingly.
8. Respond to inquiries from the audit team throughout the duration of the audit.
9. Send any general questions related to the audit to us-advrisknyshc@kpmg.com. Audit-specific communication should be conducted within the Tool in the “Audit/Questions” tab or via email directly with your assigned auditors.



Q&A Period



Thank you



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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