

FAQs from the Home Care Kickoff WebEx held on August 26, 2021 for the 2020 Cost Report

Topic:

Web-based Tool

Q.1. How can a new employee access their agency's 2019 cost report?

A.1. New employees should send an inquiry to the Home Care Cost Report mailbox ([us-advrisknyshc@Kpmg.Com](mailto:advrisknyshc@Kpmg.Com)) to request login credentials for their agency. They will then be able to login to the 2019 link and access the 2019 cost report.

Audit Procedures

Q.2. Is KPMG going to audit Home Care Agencies' compliance with the regulations promulgated pursuant to Governor Cuomo's Executive Order No. 38 (EO 38)?

A.2. This Executive Order is meant to help ensure that public funds are not used for excessive compensation or unnecessary administrative costs. The audit of the 2020 Home Care Cost report will cover information entered into the cost report schedules and corresponding documentation. All costs should be recorded accurately and completely according to the Cost Report Instructions. The audit will verify the accuracy and completeness of these costs, but not whether public funds were used to cover costs according to this Executive Order.

Q.3. Is the Audit Program Guide available to providers?

A.3. No, this document is not shared with providers. However, it has been reviewed and approved by DOH.

Cost Reporting

Q.4. Should payroll taxes be reported as a non-direct or direct expense?

A.4. Payroll taxes for direct care workers are direct and should be reported in the direct care columns. Taxes for administrative workers are non-direct and should be reported in the Program Administration column (004).

Q.5. Should the answer to question G.11 on the General Questionnaire include all COVID funding the agency received regardless of whether it was used for the Home Care agencies or a nursing center/health center/etc., or should it only include the amount attributable to the Home Care agencies? If it is the latter, is it okay if agencies allocate an amount of COVID funding based on an estimated percentage that was used for the Home Care agencies?

A.5. The answer to G.11 should include only the amount of COVID funding attributable to the Home Care agencies. If providers do not have the ability to easily specify, they may use an allocation methodology to determine the value.

Q.6. Are the costs that were covered by the question G.11 funding non-allowable?

A.6. Question G.11 is referencing revenue, not costs. If costs borne by the entity are allowable, then they should be included within allowable categories within the cost report.

Q.7. In reference to Schedule 14, does continuous care represent pre-planned 12-hour split shifts for 24 hours of care?

A.7. Yes, split shifts covering a 24-hour period would be an example of continuous care.

Q.8. How are corporations supposed to complete schedules 15/16 if we are not privy to executive level pay?

A.8. These schedules seek Agency-level detail, and it is anticipated that those responsible for attesting to the accuracy of the cost report would have this level of detail.

Q.9. Is the 1.5% currently being withheld from MD payments a deductible expense?

A.9. The 1.5% reduces revenue, and therefore should be treated as contractual allowance (offset to revenue), not an expense.

Q.10. If a retroactive payment is made in 2020 for a prior year, and an adjustment is already made in the agency's financial statement to apply the costs to the fund balance, do the costs have to be entered on the 2020 cost report?

A.10. If a retroactive payment is applied to the fund balance (prior year adjustment), then expenses would not tie back to the Total Operating Expense on the Financial Statements. We recommend entering the retroactive cost on the 2020 cost report. However, the agency should provide a reconciliation that shows that

<p>the discrepancy between total operating expenses on the financial statements and total costs per Schedule 3 of the cost report is related to a prior year adjustment.</p>
<p>Q.11. What pay source group should HHA services be entered in for a LHCSA in schedule 5?</p> <p>A.11. If a LHCSA is providing HHA services for a CHHA, the statistics related to those HHA services should be reported in the “Other non-allowable services” row on Schedule 5, in the appropriate payor category based on how the patient paid (ex. private pay, Medicaid fee-for-service, etc.).</p>
<p>Q.12. For a LHCSA, for the purposes of the cost report, are PCAs / HHAs considered employees or contracted staff?</p> <p>A.12. A worker is considered an employee if they are on the agency’s payroll system and receive wages and benefits. A worker is considered a contracted staff if they are invoiced for time spent conducting the work.</p>
<p>Q.13. Should the forgiven PPP loan be included as revenue/expenses?</p> <p>A.13. Forgiven PPP loans should be included as “other operating revenue” on Schedule 19. The salary expenses that these funds offset can be treated as an allowable expense on Schedule 3.</p>
<p>Q.14. Can agencies use salaries to allocate benefits when benefits are not broken out on the financial statements?</p> <p>A.14. Yes, benefits can be allocated based on a salary allocation percentage. For example, if general and administrative salaries are 20% of total salary, 20% of benefits can be allocated to program administration.</p>
<p>Q.15. Can the cost report be prepared on a cash basis?</p> <p>A.15. The Home Care cost report should be completed using the accounting methodology used for your agency’s financial statements. As part of the cost report submission, providers are required to submit supporting documentation that reconciles to the information reported in the Home Care Cost Report.</p>
<p>Q.16. Do providers have to report on managed Medicaid?</p> <p>A.16. Yes, providers who are reimbursed through managed care are required to submit the cost report and report on their managed care services.</p>
<p>Q.17. Which particular schedules are reported at the entity level?</p> <p>A.17. The below schedules are reported by entity type:</p> <ul style="list-style-type: none"> — Schedule 3 — Schedule 4 — Schedule 5 — Schedule 6 (FI only) — Schedule 7 — Schedule 8 — Schedule 9 (CHHA and LHCSA only) — Schedule 10 — Schedule 11 — Schedule 12 — Schedule 13 — Schedule 14