



# 2021 Home Care Cost Report July outreach session



Department  
of Health

July 21, 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
Timeline	DOH	5 minutes
Technical Items <ul style="list-style-type: none"> <li>— Contracting relationships</li> <li>— Allocating Costs</li> <li>— Workers' recruitment &amp; retention (WR&amp;R)</li> </ul>	KPMG	25 minutes
Web-based Tool Items & Demo	KPMG	10 minutes
Next steps	KPMG	10 minutes
Q&A Period	DOH/KPMG	10 minutes
Total Time: 1 hour		



# Timeline

Activity	Responsible party	Dates
Agencies receive link to the 2021 Home Care Cost Report	Providers	June 22, 2022
2021 Home Care Cost Report initial kickoff webinar	DOH/KPMG/Providers	June 28, 2022
July Outreach Session	DOH/KPMG/Providers	July 21, 2022
August Outreach Session	DOH/KPMG/Providers	August 23, 2022
September Outreach Session	DOH/KPMG/Providers	September 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 2022
KPMG to conduct audits of the 2021 Home Care Cost Report submissions	KPMG/Providers	October–January 2023
Lessons learned webinar to discuss successes, opportunities for improvement, and future-year suggestions	DOH/KPMG/Providers	TBD

\*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.

\*\*Supporting documentation is required to be submitted within 7 days of your cost report submissions, or no later than September 27, 2022.





# Technical items

# Contracting relationships

## Cost reporting on Schedule 3

### Reporting contracting service expenses

- 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 (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 a 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**

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# Contracting relationships

## Cost reporting on Schedules 3 and 4

### Reporting contracting service expenses

- Administrative-related contracted purchased services costs, such as cleaning, bookkeeping, administrative computer services, and other services not related to direct patient care, should be reported in Column 004 (Program Administration) within the Administration & General cost center row on Schedule 3 and Schedule 4.
- Contracts with Managed Care Organizations (MCOs) and Managed Long-Term Care (MLTC) plans do not classify as direct care contracted services for the purposes of the Home Care Cost Report and should not be reported in Column 009 on Schedule 3. The MCO/MLTC is considered to be acting as an Agent for the state.
  - An agency providing services through a contract with an MCO/MLTC should report the associated direct care costs as allowable. These costs should not be reported in the “Contracted Purchased Services” column because they services are reimbursed by a Medicaid payor, rather than through an agreement with a separate agency.

**In summary:**

**Contracts with MCOs or MLTC = Allowable**

*An example of proper reporting for contracting relationships is available on the subsequent slides.*

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# Contracting relationships (continued)

## Reporting contracting service expenses

Proper reporting for the agency acting as the subcontractor for the provision of direct care services on Schedule 3:

LHCSA Name	LHCSA B									
LHCSA County	Albany									
Schedule 3b: LHCSA Costs & Expenses by Service Type	Total Entity Costs (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Costs (Sum of columns 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
<b>Direct Care</b>										
PC: Level I	001									
PC: Level II	002									
PC: Level II - Hard to Serve	003									
Live-In	004									
Nursing Supervision	005									
Nursing Assessment	006									
Shared Aide: Level I	007									
Shared Aide: Level II	008									
Other non-allowable services	009				\$ 1,500.00					
<b>GRAND TOTAL</b>	010									

Proper reporting for the agency contracting out direct care services on Schedule 3:

CHHA Name	CHHA A									
CHHA Operating Certificate	S4321									
Schedule 3a: CHHA Costs & Expenses by Service Type	Total Entity Costs (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Costs (Sum of columns 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
<b>Direct Care</b>										
Home Health Aide	001								\$ 1,000.00	
Home Health Physical Therapy	002									
Home Health Occupational Therapy	003									
Home Health Registered Nurse	004									
Home Health Medical Social Services	005									
Home Health Nutrition	006									
Home Health Speech Therapy	007									
Home Health Respiratory Therapy	008									
Home Social & Environmental Support	009									
Home Health Sign Language/Oral Interpreter	010									
PC: Level I	011									
PC: Level II	012									
PC: Level II - Hard to Serve	013									
Live-In	014									
Nursing Supervision	015									
Nursing Assessment	016									
Shared Aide: Level I	017									
Shared Aide: Level II	018									
<b>GRAND TOTAL</b>	019									

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# Contracting relationships (continued)

## Reporting contracting service expenses

Proper reporting for the administrative contracting service expenses on Schedule 4:

LHCSA Name	LHCSA B									
LHCSA County	Albany									
Schedule 4b: LHCSA General Service Cost Centers	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 Supervisor/ Assessment (Direct Care)	Program Staff Training	Transportation	Contracted Purchased Services	Other
	001	002	003	004	005	006	007	008	009	010
<b>GENERAL SERVICE COST CENTERS</b>										
Criminal Background Check & Fingerprinting	001									
Capital Related - Building & Fixtures	002									
Capital Related - Movable Equipment	003									
Plant Operations & Maintenance	004									
Rent-Building	005									
Rent-Furnishings	006									
Rent-Vehicles	007									
Interest-Property	008									
Depreciation-Plant	009									
Depreciation-Equipment & Furnishings	010									
Depreciation-Vehicles	011									
Transportation	012									
Utilities	013									
Supplies & Materials	014									
Insurance	015									
Administration & General	016			\$ 1,000.00						
Employee physicals/uniforms/immunizations	017									
Other	018									
<b>Grand Total</b>	019									

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# Contracting relationships (continued)

## Reporting contracting service expenses

### Proper reporting for MCO/MLTC plan service expenses on Schedule 3:

CHHA Name	CHHA A									
CHHA Operating Certificate	54321									
Schedule 3a: CHHA Costs & Expenses by Service Type	Total Entity Costs (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Costs (Sum of columns 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										
Home Health Aide	001				\$ 40,000.00					
Home Health Physical Therapy	002									
Home Health Occupational Therapy	003									
Home Health Registered Nurse	004									
Home Health Medical Social Services	005									
Home Health Nutrition	006									
Home Health Speech Therapy	007									
Home Health Respiratory Therapy	008									
Home Social & Environmental Support	009									
Home Health Sign Language/Oral Interpreter	010									
PC: Level I	011									
PC: Level II	012									
PC: Level II - Hard to Serve	013									
Live-In	014									
Nursing Supervision	015									
Nursing Assessment	016									
Shared Aide: Level I	017									
Shared Aide: Level II	018									
GRAND TOTAL	019									

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# Allocating costs

## Important Information

- Agencies that operate multiple entities and/or provide multiple service types may be required to allocate their costs on Schedule 3 and 4 of the cost report using an allocation methodology.
- The allocation methodology used for allocating costs throughout Schedule 3 and Schedule 4 should be clearly documented in an allocation crosswalk within the agency's supporting documentation. It should detail the steps taken to allocate costs across the agency's various entities and service types. The allocation crosswalk must include costs that tie back to system-generated support (e.g., third-party reports), specific formulas that were used to arrive at the allocation percentages, and an explanation as to why that allocation basis was applied.

### **Agency Level to Entity Level Allocation (Schedules 3 and 4)**

- Agencies are required to allocate their total costs across the various entities in operation on Schedules 3 and 4.
- The basis for acceptable allocation methodologies include, but are not limited to:
  - Total operating expenses (DOH's recommendation)
  - Total hours or visits of service
  - Square feet occupied
  - Time study

### **Entity Service Types Allocation (Schedule 3)**

- All costs reported on Schedule 3 should be allocated to the appropriate service type rows for each entity.
- The basis for acceptable allocation methodologies include, but are not limited to:
  - Total operating expenses (DOH's recommendation)
  - Percentage of total visits or hours
  - Percentage of total patients

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# Allocating costs (continued)

## Walkthrough example – Allocating across entities

- We will walk through an example of how to allocate costs from the agency to entity level on Schedule 3 and 4 of the Home Care Cost Report for a LHCSA agency. We will be using the LHCSA supporting documentation template on the subsequent slides to illustrate allocation across entities and service types.
  - The LHCSA supporting documentation template is available in the Instructions tab of the Web-based Tool, within the “Useful Links” section.
- The screenshot below displays the LHCSA's Trial Balance, which shows the agency's expense accounts and dollar values. The Trial Balance is categorized into the different cost categories (e.g., direct care, program administration, etc.) within the “Category” column. The Agency's total costs for the year are \$1,046,000 (outlined in red below).
  - Note that your Agency's Trial Balance should be system-generated and reconcile to your agency's financial documentation.
- This agency operates 3 LHCSA entities (County #1, County #2, and County #3) and provides 3 service types (PC Level I, PC Level II, and Live-In). On the following slides, we will walk through an example of how to allocate costs across the 3 different entities and 3 different service types **using hours of service as the basis for the allocation**.

Trial Balance				
Description	Current Period Cost	Category		
Direct Care Salary/Benefits Expense	\$ 500,000.00	Direct Care		
Administrative Salary/Benefits Expense	\$ 250,000.00	Program Administration		
Marketing/Advertising	\$ 50,000.00	Non-allowable		
Meal Expense	\$ 25,000.00	Non-allowable		
Staff Training	\$ 5,000.00	Direct Care		
Supplies	\$ 50,000.00	Program Administration		
Income Taxes	\$ 20,000.00	Non-allowable		
Rent	\$ 100,000.00	Program Administration		
Depreciation	\$ 10,000.00	Program Administration		
Utilities	\$ 25,000.00	Program Administration		
Cash Receipt Assessment Tax	\$ 1,000.00	Non-allowable		
Travel Expense	\$ 10,000.00	Program Administration		
<b>Total</b>	<b>\$ 1,046,000.00</b>			
Total Expenses per AFS	\$ 1,046,000.00			
Difference	\$ -			

Total Direct Care on Schedule 3	\$ 505,000.00
Total Administrative Expenses on Schedules 3/4	\$ 445,000.00
Total Non-allowable expenses	\$ 96,000.00
Total Expenses	\$ 1,046,000.00
Check to AFS and Schedule 3	TRUE

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# Allocating costs (continued)

## Walkthrough example – Allocating across entities

- **Step 1:** Identify the total hours or visits provided during the given cost report year for each entity. Note that this information should come from a system-generated summary of visits/hours report (e.g., HHA Exchange).
  - If you are using the LCHSA supporting documentation template, you should link the hours for each county and service type from the system-generated summary of visits/hours report to the “Allocation” tab.
  - Using the total service hours per county in row 8 below, calculate the percentage of total hours per entity (county):
    - **County #1:** 7,790 hours/total Agency hours of 17,440 = 44.6674% Allocation percentage
    - **County #2:** 6,410 hours/total Agency hours of 17,440 = 36.7546% Allocation percentage
    - **County #3:** 3,240 hours/total Agency hours of 17,440 = 18.5780% Allocation percentage

	County #1	County #2	County #3	Total
<b>Summary of Hours (from system generated support)</b>				
PC: Level I	2200	990	910	4100
PC: Level II	3950	1820	1580	7350
Live-In	1640	3600	750	5990
<b>Total</b>	<b>7790</b>	<b>6410</b>	<b>3240</b>	<b>17440</b>
<b>Allocation Percentages</b>				
PC: Level I	12.6147%	5.6766%	5.2179%	23.5092%
PC: Level II	22.6491%	10.4358%	9.0596%	42.1445%
Live-In	9.4037%	20.6422%	4.3005%	34.3463%
<b>Total</b>	<b>44.6674%</b>	<b>36.7546%</b>	<b>18.5780%</b>	<b>100.0000%</b>

**Key assumptions:**

- The LHCSA provides PC Level I, PC Level II, and Live-In services.
- The LHCSA operates in three counties.
- The system-generated report tracks the number of hours per county.

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# Allocating costs (continued)

## Walkthrough example – Allocating across entities

- **Step 2:** Multiply the Agency's total costs of \$1,046,00 (identified in slide 12 from the Trial Balance) by the allocation percentages derived for each entity (county) in Step 1 to arrive at the total expenses per entity:
  - **County #1:**  $\$1,046,000 * (44.6674\%) = \$467,221$
  - **County #2:**  $\$1,046,000 * (36.7546\%) = \$384,453$
  - **County #3:**  $\$1,046,000 * (18.5780\%) = \$194,325$
- **Step 3:** Multiply each entity allocation percentage by the total expenses for each category on Schedule 3 (Direct Care Column 005 or 006, Program Administration Column 004, and Non-allowable Column 002). See these calculations in the chart below:
  - **Calculation for County #1 Direct Care Costs (Column 005 or 006):**  $\$505,000 * 44.6674\% = \$225,571$

		County #1	County #2	County #3
Total Direct Care on Schedule 3	\$ 505,000	\$ 225,571	\$ 185,611	\$ 93,819
Total Administrative Expenses on Schedules 3/4	\$ 445,000	\$ 198,770	\$ 163,558	\$ 82,672
Total Non-allowable expenses	\$ 96,000	\$ 42,881	\$ 35,284	\$ 17,835
Total Expenses	\$ 1,046,000	\$ 467,221	\$ 384,453	\$ 194,326

- On Schedule 3 of the Home Care Cost Report, the “Total Entity Cost” (Column 001) value for each entity chart should tie to the total expense calculated in Step 2 (i.e. \$467,221 for County #1). The individual columns of each entity chart should tie to the expenses calculated in Step 3.
- The schedule total amount should equal the total agency cost of \$1,046,000.

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# Allocating costs (continued)

## Walkthrough example – Allocating across service types

- Now that we allocated costs across the three entities, we can walk through the allocation of costs across the various service types that an entity operates on Schedule 3. For this example, we will walk through a service type allocation for County #1.
- **Step 1:** Identify the total hours or visits provided during the given cost report year for each service type. Note that this information should come from a system-generated summary of visits/hours report (e.g., HHA Exchange).
  - Using the hours per service type in **County #1** (Column B in the screenshot below), calculate the percentage of total service hours per service type:
    - **PC Level I:** 2,200 hours/Total County #1 Hours of 7,790 = 12.6147% Allocation percentage
    - **PC Level II:** 3,950 hours/Total County #1 Hours of 7,790 = 22.6491% Allocation percentage
    - **Live-in:** 1,640 hours/Total County #1 Hours of 7,790 = 9.4037% Allocation percentage

	County #1	County #2	County #3	Total
<b>Summary of Hours (from system generated support)</b>				
PC: Level I	2200	990	910	4100
PC: Level II	3950	1820	1580	7350
Live-in	1640	3600	750	5990
<b>Total</b>	<b>7790</b>	<b>6410</b>	<b>3240</b>	<b>17440</b>

	County #1	County #2	County #3	Check
<b>Allocation Percentages</b>				
PC: Level I	12.6147%	5.6766%	5.2179%	23.5092%
PC: Level II	22.6491%	10.4358%	9.0596%	42.1445%
Live-in	9.4037%	20.6422%	4.3005%	34.3463%
<b>Total</b>	<b>44.6674%</b>	<b>36.7546%</b>	<b>18.5780%</b>	<b>100.0000%</b>

**Key assumptions:**

- The LHCSA provides PC Level I, PC Level II, and Live-in services.
- The LHCSA operates in three counties.
- The system-generated report tracks the number of hours per county.

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# Allocating costs (continued)

## Walkthrough example – Allocating across service types

- **Step 2:** Multiply the County #1 service type allocation percentage by the total expenses for each expense category. Using the identified Schedule 3 category totals outlined in red in the screenshot below, apply the service type allocation percentages to the costs to calculate the expenses by service type.
  - For the purpose of this example, we will include the calculations for direct care expenses in County #1 for Column 005 Program Aide (Direct Care). However, please note that each entity and applicable service type/column will go through the same process of allocation.
    - Schedule 3, Column 005 “Program Aide (Direct Care)”, PC Level I Hours
      - County #1:  $\$505,000 \times 12.6147\% = \mathbf{\$63,704}$
    - Schedule 3, Column 005 “Program Aide (Direct Care)”, PC Level II Hours
      - County #1:  $\$505,000 \times 22.6491\% = \mathbf{\$114,378}$
    - Schedule 3, Column 005 “Program Aide (Direct Care)”, Live-in Hours
      - County #1:  $\$505,000 \times 9.4037\% = \mathbf{\$47,489}$

**Note:** The sum of the Column 005 direct care amounts for the three service types equals **\$225,571** (\$63,704+\$114,378+\$47,489). This reconciles to the County #1 direct care cost total calculated on slide 14.

		County #1	County #2	County #3
Total Direct Care on Schedule 3	\$ 505,000	\$ 225,571	\$ 185,611	\$ 93,819
Total Administrative Expenses on Schedules 3/4	\$ 445,000	\$ 198,770	\$ 163,558	\$ 82,672
Total Non-allowable expenses	\$ 96,000	\$ 42,881	\$ 35,284	\$ 17,835
Total Expenses	\$ 1,046,000	\$ 467,221	\$ 384,453	\$ 194,326

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# Workers' recruitment and retention revenue and costs

## Important information

- Per PHL – S.3614 (9) and SSL 367-q, all home care agencies receive an annual WR&R rate add-on to spend on recruitment, training, and retention costs.
- To calculate their WR&R costs, agencies must sum all recruitment, training, and retention expenses from the specific cost report year. To properly report the WR&R costs on Schedules 3 and 4, the agency should subtract the WR&R revenue received in the specific cost report year from their total WR&R costs.
  - The net amount of WR&R costs should be reported as allowable (in Column 004 Program Administration 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 Schedules 3 and 4.
- Agencies that need to estimate their WR&R revenue for the 2021 Home Care Cost Report may determine their own method of estimating the WR&R revenue for the 2021 cost report year; however, they must provide supporting documentation of how their WR&R revenue was calculated. If an agency is unsure of how to estimate their WR&R revenue, DOH has provided an optional approach that agencies may leverage, summarized below:
  1. Assume that the WR&R rate add-on percentage in 2021 was 4.56% of your agency's Medicaid reimbursement rate.
  2. Divide the reimbursement rate (dollar value) by 1.0456. Then, subtract that value from the reimbursement rate (dollar value) to arrive at the WR&R rate add-on dollar value.
  3. Multiply the WR&R add-on dollar value by the units of service provided in 2021 to arrive at the total WR&R revenue dollar amount for the year.
  4. If your agency provides multiple services (e.g., PC Level I and Nursing Supervision), then you will need to complete these steps for each service type and sum the total WR&R revenue dollar amounts.

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# Workers' recruitment and retention revenue and costs (continued)

**Example:** Agency A has **\$200,000 dollars** of WR&R costs in 2021. Agency A received a Medicaid reimbursement rate of **\$50** in 2021 and provided **65,000 hours** of PC Level II services.

Agency A assumes that the WR&R rate add-on percentage in **2021** was **4.56%** of their Medicaid reimbursement rate.



Agency A divides their Medicaid reimbursement rate by **1.0456** ( $\$50/1.0456=\$47.82$ ). Then, Agency A subtracts that value from the Medicaid reimbursement rate to calculate their WR&R dollar value of **\$2.18** ( $\$50-\$47.82=\$2.18$ ).



Agency A multiplies **65,000 units** of service by the rate add-on dollar value of **\$2.18** to calculate their total WR&R revenue dollar value of **\$141,700**.



This **\$141,700** should be offset from total WR&R costs and reported as nonallowable in Column 002 of Schedule 3 and Schedule 4. The remaining **\$58,300** that is net of the WR&R revenue should be reported as allowable in Column 004 (Program Administration) or Column 007 (Program Staff Training) on Schedules 3 and 4.



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# Questions?



# Web-based tool items and demo

# Home care web-based tool links

## Web-page

- The 2021 cost report, along with all previous cost reports submitted within the Web-based Tool, can be accessed at the following link: <https://desoto.certisphere.com/doh/HomeCareDashboard.html>
- Once you arrive at the Home Care Tool dashboard page (as shown below), please select the “2021” option to access the 2021 Home Care Cost Report.
- If you experience a “404 Error” when attempting to log-in, we recommend closing out of the window and reopening the 2021 link.



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# Cost report policy and procedure template

## Cost report preparation policy and procedure template

- During the 2019 and 2020 audit processes, many agencies responded to G.8 of the General Questionnaire that they did not have any cost report policies and procedures in place related to the cost report preparation and submission process.
- Agencies should provide a document that clearly outlines the policies and procedures related to the preparation of their cost report. The policy and procedure document will allow for consistent year-over-year reporting compliance in the event of staff turnover.
- Based on feedback from home care agencies, KPMG and DOH created a template that agencies can leverage to prepare their documented policies and procedures for the Home Care Cost Report. This template is available within the “Useful Links” section of the Web-based Tool.
  - Note that the policy and procedure document should be specific to your agency, including specific data sources, file names, individual roles and responsibilities, etc. As such, the template includes many sections in which the agency must input their own agency-specific information.

### Background

In accordance with Public Health Law (PBH) §3612(8) and Social Services (SOS) Law §365-f (4-a), the commissioner may require a health home or licensed home care services agency, or a fiscal intermediary to report on the costs incurred by the agency in rendering health care services to Medicaid beneficiaries and the New York State Department of Health (DOH) may specify the frequency and format of such reports. DOH requires all Certified Home Health Agencies (CHHA), Licensed Home Care Services Agencies (LHCSA), and Fiscal Intermediaries (FI) operating in New York State to submit the Home Care Cost Report to DOH on an annual basis.

The Home Care Cost Report data is used by the Department to set Medicaid reimbursement rates. This <insert calendar year being reported> cost report will produce a <insert current year> reimbursement rate.

The purpose of this document is to detail the policies and procedures related to the preparation of the Home Care Cost Report, which is required to be submitted to the New York State Department of Health annually. <Insert agency name> provides services such as, <list out home care services agency provide [e.g., PC Level I, home health aide, etc.]>. The associated entities included in this report include <list out entity types that agency operates [e.g., CHHA, LHCSA, FI]>.

### Preparation of the Home Care Cost Report

This section details the information necessary to begin the cost report submission process.

#### Roles and responsibilities:

The following individuals are responsible for the preparation and review of the cost report:

Responsible Party/Parties	Responsibilities
<Title of individual>	Preparer of the cost report
<Title of individual>	Project Liaison
<Title of individual>	Reviewer of the cost report
<Title of individual>	Certifier and submitter of the cost report

#### Gathering Source Documentation:

To complete the cost report, you will need access to the source documents listed in the table below.

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# Financial reconciliation tab

## Financial reconciliation tab

- Per the Home Care Cost Report instructions, Schedule 3 of the Home Care Cost Report should include an agency's total costs including direct care personnel costs, administrative personnel costs, non-personnel costs, and non-allowable costs.
  - As such, the "Total Entity Costs" per Schedule 3 of the cost report schedules tab should reconcile to the total expenses per the agency's Financial Statements for the calendar year being reported.
- KPMG and DOH created a new tab within the 2021 Web-based Tool, called "Financial Reconciliation" (shown on following slide). This tab will not be accessible until after the "Cost Report Schedules" tab is completed.
- 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.
  - In this tab, agencies will enter the total expenses per their financial statements along with any reconciling items that may cause a variance between Schedule 3 and the agency's financial statements.
  - The Tool will then automatically calculate any remaining variance between Schedule 3 "Total Entity Costs" and the agency's financial statements.
    - If there is a significant variance, the agency should review their Schedule 3 costs to confirm that all costs were properly reported prior to submitting the cost report.
- 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.

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# Financial reconciliation tab (continued)

## Financial reconciliation tab

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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 an 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 DPM 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: <a href="#">Add reconciling item...</a>					
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: <a href="#">Add reconciling item...</a>					
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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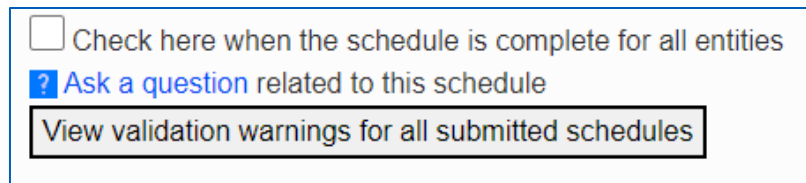
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# Web-based tool edit checks

## New Tool Edit Checks

- KPMG and DOH have implemented 21 new edit checks in the 2021 Tool to help agencies identify potential errors in their cost report prior to submission. We will provide a live demo of a tool check.
  - If a potential error is identified, a warning message will appear when the agency attempts to mark the schedule as complete. The warning message will describe the potential error and provide helpful guidance on how the agency can correct the potential error.
  - If there are several errors, the agency will see a warning message for each error. Once the agency has corrected the potential error, the warning message will disappear.
- At the top of each cost report schedule, there is a “view validation warnings for all submitted schedules” button (shown below). To identify any outstanding potential errors, the agency can select this button.



☐ Check here when the schedule is complete for all entities

? Ask a question related to this schedule

View validation warnings for all submitted schedules

- While **these new checks will not prevent agencies from submitting their cost report**, we encourage agencies to resolve all warnings that arise from these edit checks prior to submission to submit a more accurate cost report.
- We will be providing a demo in the next slide to walk agencies through the ways to see their errors, correct them, and then check to help ensure the error has been corrected.

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# Tool demo

# Web-based tool information buttons

## Information Buttons

- Based on feedback from agencies, KPMG implemented new information buttons throughout the cost report Tool that agencies can select for relevant instructions and/or guidance materials on a particular data input or schedule.
- In total, KPMG implemented **16 information buttons** in the 2021 Tool to help agencies during the cost report submission period.
- Information buttons are denoted throughout the Tool with question mark symbols, as shown in the image below.
  - We will conduct a live tool demo of how to use an information button on the following slide.

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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# Tool demo

# Useful information and reference material

## Resources within the web-based tool

### Asking questions in the Web-based Tool

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

Schedule 3b: LHCSA Costs & Expenses by Service Type

☐ Check here when the schedule is complete for all entities  
☒ Ask a question related to this schedule

This page has a set of questions, as well as a schedule to fill out. Please continue to the bottom of the page, completing all questions and schedule sections before marking this schedule complete.

Questionnaire

Cost and Expenses

Question: 3.1b  
What data source document(s) did your agency use?

☐ Approved budget  
☐ General ledger  
☐ Trial balance  
☐ Payroll register

Add Question

Question:

OK Cancel

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# Next steps

# Next steps

## Provider log-in credentials for the web-based tool

- For users who completed the 2020 Home Care Cost Report, your log-in credentials for the Web-based Tool will be the same log-in credentials used as last year.
  - If you forgot your password, please click the “Forgot Password?” link on the Web-based Tool log-in page. You will then be sent an email containing the steps to reset your password.
- For users who did not complete the 2019 or 2020 Home Care Cost Report and require a new Web-based Tool account, please send the request to the designated KPMG Home Care Cost Report mailbox below:
  - KPMG Home Care Cost Report mailbox: [us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com)
  - Please include your agency’s name, and the full name and email addresses of the individuals who should have access to the Tool as part of your request.
- If an agency would like to request additional log-in credentials for an individual who is part of their agency or for an outside consultant who will access the Web-based Tool on their behalf, please send the request to the KPMG Home Care Cost Report mailbox ([us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com)).
  - Please include the individual’s full name and email address as part of the request.
- All supporting documentation will be uploaded via the secure file transfer protocol (SFTP) site. Please note that this site is separate from the Web-based Tool where the cost report submission occurs.
  - KPMG is in the process of resetting all SFTP passwords and will reach out with further information in the coming weeks.

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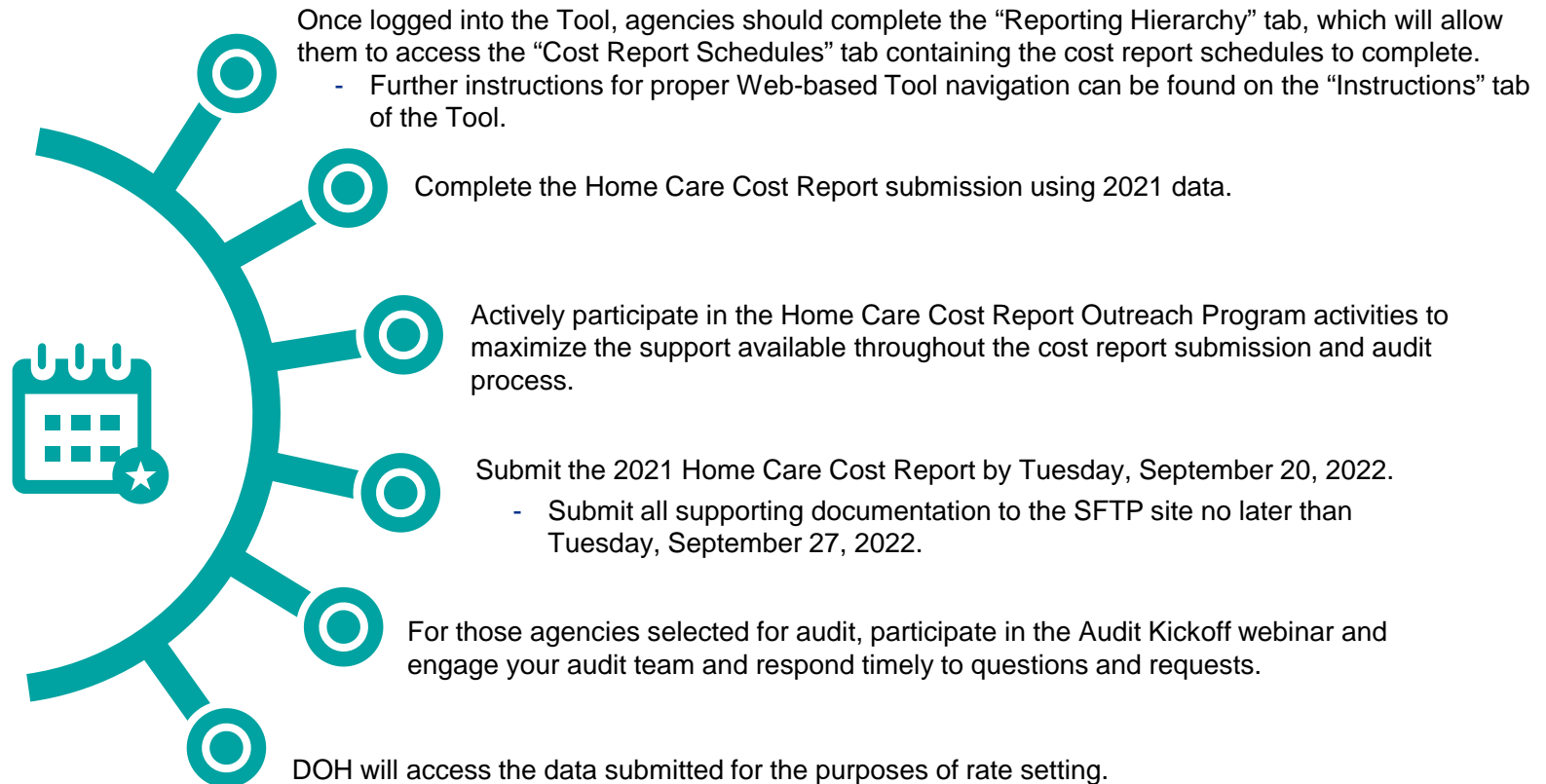
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# Next steps (continued)

## Expectations and upcoming activities



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# Useful information and reference material (continued)

## 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/](https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/).

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# Useful information and reference material (continued)

## DOH website

Department of Health
Individuals/Families
Providers/Professionals
Health Facilities
Search

Long-Term Care
Adult Day Health Care Rates
Assisted Living Program Rates
Certified Home Health Agency Rates
Foster Family Care Program Rates
Child Foster Care Program Rates
Home Care Cost Report
Hospice Rates
Long Term Home Health Care Rates
Nursing Home Acuity Workgroup
Nursing Home Rates
Personal Care Rates
Consumer Directed Personal Assistance Program (CDPAP) Rates
Private Duty Nursing Ceilings
Archives
Home

You are Here: [Home Page](#) > [Long-Term Care](#) > Home Care Cost Report

### Home Care Cost Report

#### Home Care Cost Report Materials

- [2020 Home Care Cost Report Instructions](#) (PDF)
- [2020 Home Care Cost Report Timeline and Outreach Plan](#) (PDF)
- [CHHA Supporting Documentation Template](#) (XLSX)
- [LHCSA Supporting Documentation Template](#) (XLSX)
- [FI Supporting Documentation Template](#) (XLSX)

#### Home Care Cost Report Outreach Sessions

- [May 19, 2021 HCCR Lessons Learned Webinar](#) (PDF)
- [December 2, 2020 Audit Process Workshop](#) (PDF)
- [October 28, 2020 October Outreach Session](#) (PDF)
- [October 8, 2020 October Outreach Session](#) (PDF)
- [September 30, 2020 September Outreach Session](#) (PDF)
- [September 17, 2020 Audit Process Workshop](#) (PDF)
- [August 26, 2020 August Outreach Session](#) (PDF)
- [July 29, 2020 July Outreach Session](#) (PDF)
- [June 24, 2020 June Outreach Session](#) (PDF)
- [June 2, 2020 Initial Statewide Outreach Session](#) (PDF)

#### Contact Information for Home Care Cost Report Inquiries

For any of the below inquiries, please send an email to KPMG at [us-advisrsknyshc@kpmg.com](mailto:us-advisrsknyshc@kpmg.com). For all login credential requests, please be sure to include the full name and email address of the individual who needs access to the Web-based Tool or the SFTP site. DOH will do our best to respond to your inquiry within 72 hours.

- Requesting login credentials for the Web-based Tool for additional individuals from your agency or a consultant
- Requesting login credentials for the Secure File Transfer Protocol (SFTP) site for additional individuals from your agency or a consultant
- Technical inquiries related to the Web-based Tool
- Inquiries related to the audit process

For all login credential requests, please be sure to include the full name and email address of the individual who needs access to the Web-based Tool or the SFTP site. DOH will do our best to respond to your inquiry within 72 hours.

For any inquiries about the cost report technical components or due dates, please send an email to DOH at [Homecare.reports@health.ny.gov](mailto:Homecare.reports@health.ny.gov).

Contact Information [PDF](#)

Revised: August 2021

## Web-based Tool Instructions Tab

Useful Links

#### 2021 Links

- 2021 Home Care Cost Report Instructions
- 2021 Home Care Cost Report Outreach Program

#### Supporting Documentation Templates

- Cost Report Policy and Procedure Template
- LHCSA Supporting Documentation Template
- CHHA Supporting Documentation Template
- FI Supporting Documentation Template

#### Tutorial Videos

- Instructions Tab Video
- FAQ Tab Video
- Reporting Hierarchy Tab
- Cost Report Schedules Tab
- General Questionnaire Tab
- Cost Report Submission Tab
- Contact Information Tab
- Reporting Tab

#### Tutorial Documents

- Home Care Cost Report Template

#### 2020 Lessons Learned

- Outreach Session PDF
- Outreach Session Video

#### 2020 Links

- 2020 Outreach Program

#### 8/26 Initial Statewide Outreach Session

- Outreach Session PDF
- Outreach Session Video

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# Useful information and reference material (continued)

## Resources within the web-based tool

### Initial Outreach Session FAQs

- DOH and KPMG reviewed the Q&A and chat questions from the June 28<sup>th</sup> Initial Kickoff Webinar 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/](https://health.ny.gov/facilities/long_term_care/reimbursement/hccr/).

FAQs from the 2021 Home Care Cost Report Initial Kickoff Webinar held on June 28, 2022	
Topic:	
General	
Q.1. When will we receive the 2020 rates?	A.1. The Department is currently in the process of finalizing the 2020 Medicaid reimbursement rates and will reach out with more details in the upcoming months.
Q.2. What is the process for getting budgeted rates and who do we reach out to for more information?	A.2. For budgeted rate inquiries, please send an email to <a href="mailto:PersonalCare-Rates@health.ny.gov">PersonalCare-Rates@health.ny.gov</a> or <a href="mailto:CHHA-Rates@health.ny.gov">CHHA-Rates@health.ny.gov</a> .
Q.3. Will a copy of the presentation be provided to us for reference?	A.3. Yes, the recorded webinar and corresponding PDF will be made available in the web-based Tool within the "Instructions" tab under "Useful Links" on the right side of the screen. It can also be found on the Department's website under 'Home Care Cost Report Outreach Sessions.'
Q.4. Is it possible to get the General Questionnaire in Excel or Word format?	A.4. The questionnaire is available for download in Adobe PDF format; however, you may be able to download the PDF and then utilize an application to convert it to the desired format.
Q.5. If I have questions as I'm completing my cost report, should I contact my auditor from last year if I still have their contact information?	A.5. No, for any questions regarding the 2021 Home Care Cost Report, please refer to the FAQ tab in the Web-based Tool or send an inquiry to the KPMG Home Care mailbox ( <a href="mailto:us-advrisknyshc@kpmg.com">us-advrisknyshc@kpmg.com</a> ).

### July Outreach Session PDF and recording

- This session's 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.

### August Outreach Session

- This session will be held on August 23, 2022 at 1pm. More information regarding this session, including Webex details, will be sent out to providers in the coming weeks.

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# Q&A



# Thank you



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