

FAQs from the 2021 Home Care Cost Report August Outreach Session held on August 23, 2022

Topic:

Web-based Tool

Q.1. If I receive an error message while completing my cost report that I am confused about, do I have to email the Home Care mailbox or can I use the 'Ask a question' feature in the tool?

A.1. If you have a question while completing the cost report, you may use either the 'Ask a question' feature in the tool or email the KPMG Home Care mailbox (us-advrisknyshc@kpmg.com) and someone from KPMG or DOH will assist you.

Q.2. Will the agencies selected for audit be notified prior to the October 4th Audit Kickoff Webinar?

A.2. Yes, the agencies selected by DOH for 2021 audit procedures should be notified prior to the October 4, 2022 Audit Kickoff Webinar, via email. Once DOH has finalized the list of auditees, KPMG and DOH will send an email out to all providers that were **not** selected for audit to notify them they will not undergo 2021 audit procedures. This communication is expected to be delivered after the Audit Kickoff Webinar.

Cost Reporting

Q.3. If my agency does not provide services in a county but has expenses such as recruiting costs in that county, should that county still be reported as an entity within the Reporting Hierarchy tab?

A.3. For LHCSAs and FIs, entities are identified by county of service. If you did not provide any services in a county (i.e., had no patients being served in that county), then it should not be reported as an entity within the Reporting Hierarchy tab. Overhead and administrative expenses, such as recruiting costs, should be allocated across the various entities reported in the cost report. For CHHAs, entities are defined by operating certificate, so an entity should be reported for each Operating certificate the agency is providing Medicaid services under.

Q.4. How should we complete the Financial Reconciliation tab if our Financial Statements are reported on a fiscal period of July through June, and not a calendar year period (i.e., January through December)?

A.4. If your Financial Statements are reported on a fiscal year basis, you may use a Trial Balance or General Ledger to show your total expenses for the calendar year (i.e., January through December). However, you must provide a credible, system-generated Trial Balance or General Ledger within your supporting documentation.

Q.5. If an entity provides only "nonallowable" services, should that entity still be reported on the Home Care Cost Report?

A.5. If an entity provides non-allowable services only, it may be omitted from the cost report. However, the agency will need to provide a reconciliation from the 'Total Entity Cost' value reported on Schedule 3 to the total expenses per Financial Statements, or complete the Financial Reconciliation tab, to show that the variance is due to the non-allowable entity that was omitted from Schedule 3.

Q.6. Should non-allowable service costs be reported within "Program Aide Direct Care" Column 005, "Other non-allowable services" row 009 or "Non-allowable Costs" Column 002, "Other non-allowable services" row 009 on Schedule 3?

A.6. Costs for non-allowable services such as NHTD, TBI, private duty nursing, etc. should be reported within Non-allowable Costs (Column 002), in the "Other non-allowable services" row. Costs for subcontractor services (for direct care services) should be reported in Program Aide Direct Care (Column 005), within the "Other non-allowable services" row.

Q.7. If my agency already has an internal calculation that we have used in the past to estimate our Workers' Recruitment & Retention (WR&R) revenue, do we have to use the WR&R estimation calculation provided by DOH in the July 21st outreach webinar?

A.7. No, agencies are not required to use the method DOH outlined in the July 21, 2022 outreach session. Agencies may determine their own method of estimating the WR&R revenue for the 2021 cost report year; however, they must provide supporting documentation that demonstrates how their WR&R revenue was calculated. If an agency is unsure of how to estimate their WR&R revenue, we recommend using the DOH-approved approach.

Q.8. What are examples of expenses that qualify as WR&R costs?

A.8. WR&R costs are any costs incurred for the purposes of recruiting and retaining the agency's staff. Some examples of WR&R costs include, but are not limited to:

- Overtime pay
- Retention or hiring bonuses
- Incentive pay
- Wellness programs
- Mental health and stress management resources
- Childcare assistance/benefits
- Sabbatical

To inquire whether an expense qualifies as WR&R, please reach out to the KPMG Home Care mailbox (us-advrisknyshc@kpmg.com).

Q.9. How can I figure out my WR&R rate add-on revenue?

A.9. Fee-for-service agencies can identify their WR&R rate add-on directly on their Fee-for-Service rate sheet. Managed care agencies may contact their Managed Long-Term Care (MLTC) contract or Managed Care Organization (MCO) to inquire about their WR&R rate add-on. If the MLTC/MCO cannot provide the WR&R add-on information, agencies can use the DOH-approved approach detailed below to estimate their WR&R revenue:

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.

Please note that this approach is also detailed on pages 7-8 of the Home Care Cost Report Instructions, along with an example, available under the "Useful Links" section of the Instructions tab in the web-based Tool. It can also be found on the Department's website under 'Home Care Cost Report Materials.'

Q.10. What percentage of the provider's reimbursement rate is considered Workers' Recruitment & Retention (WR&R)?

A.10. The WR&R rate add-on percentage varies year over year. For example, in 2020 the WR&R rate add-on percentage was 4.56%. If you have a question regarding the WR&R rate add-on, please reach out to the DOH mailbox (Homecare.reports@health.ny.gov).