



# 2021 Home Care Cost Report Audit Kickoff



October 4, 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. 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
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
	<b>Total Time:</b>	<b>60 minutes</b>

# Timeline

Activity	Responsible party	Dates
Initial Statewide Outreach Session	DOH/KPMG	August 26, 2022
Monthly Provider Outreach Sessions*	DOH/KPMG	July 21, 2022 August 23, 2022 September 14, 2022
2021 Home Care Cost Report submissions are due in the Web-based Tool	Providers	September 20, 2022
Supporting documentation is due in the Secure File Transfer Protocol (SFTP) site	Providers	September 27, 2022
DOH and KPMG to notify the DOH-selected agencies that will undergo audit procedures	DOH/KPMG	Ongoing
DOH and KPMG to conduct an Audit Kickoff webinar prior to the beginning of the audit process	DOH/KPMG/ Providers	October 4, 2022
KPMG to conduct audits of the Home Care Cost Report submissions	KPMG/Providers	October 2022 through January 2023
Lessons learned webinar to discuss successes, opportunities for improvement, and future-year suggestions	DOH/KPMG/Providers	TBD

\*PDFs and recordings of these sessions are available within the “Instructions” tab of the Web-based Tool, and 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/).

# Auditee selection

## Items to note

- The Department of Health selected the agencies that are subject to audit for the 2021 cost report year.
- If your agency has been selected by DOH for audit, you should have received an Audit Notification Package sent from KPMG ([us-advrisknyshc@kpmg.com](mailto: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 October 2022 to January 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 2020 Home Care Cost Report may be subject to audit by KPMG.
- 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.

— 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

- 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-related protocols
  - Communications
  - Next steps, action items, and key resources
  - Documentation requests details
  - Agency representation details



# Key phases of the audit



Phase	Key milestones	Associated agency activities
Kickoff	<ul style="list-style-type: none"> <li>— Auditee notification</li> <li>— Planning/Prefieldwork</li> <li>— Audit-related webinars</li> </ul>	Identify appropriate professionals to be involved in the audit.
		Review audit-related webinars posted in the Home Care Tool and attend the Audit Kickoff webinar.
		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.
		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.
		Complete the “Documentation Requests” tab by marking all documentation that was provided to the SFTP site as “Provided.”
Fieldwork	<ul style="list-style-type: none"> <li>— Desk audit procedures</li> <li>— Field audit procedures (if applicable)</li> </ul>	Help resolve any data issues.
		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.
		<b>Execute the required adjustments within the “Adjusted Cost Report Schedules” tab of the Tool if errors are identified during the Audit.</b>
		Re-confirm 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
Closeout	— Review and agree/disagree to Findings within the “Potential Findings” subtab, if applicable.	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.
	— Management Response, if applicable	Review and provide management response to each finding and/or observation on the Exit Dashboard, if applicable.
	— Final Exit Dashboard	Sign off in the “Dashboard Signoff” section to finalize the Exit Dashboard.

# 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/explanations for certain items or additional documentation to be submitted.
  - Regardless of the nature of the request, agencies are required to provide the requested information within **three business days of the KPMG 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, KPMG will send a follow-up email to the contacts noted within the Tool. If the agency does not respond to KPMG's follow-up within three business days, a finding will be documented and shared with DOH.
- NOTE: The data reported on the 2021 Home Care Cost Report, specifically on Schedules 3, 4, 5, and 7, will be used to set 2023 Medicaid reimbursement rates.
  - If adjustments are made throughout the audit process, DOH will use the adjusted (corrected) 2021 cost report data for 2023 rates.

Reminder...

# Tasks to complete prior to audit procedures



## Four tasks to complete prior to audit procedures

Prior to beginning audit procedures, there are four tasks auditees must complete. These tasks are listed below and described in further detail on the following slides.

Review the **“Documentation Request tab”** to confirm that you have uploaded all the supporting documentation files listed to the SFTP site by checking off the **“Provided”** boxes.



Submit agency representation via the Home Care Cost Report Tool (**“Agency Representation tab”**).



Complete the **“Financial Reconciliation”** tab in the Web-based 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 and your financial statements.



Enter 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 now aware, 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 which type of supporting documentation used to complete that particular schedule (check all that apply).
  2. The second question asks you to add the name of the supporting documents as well as the name of the cross walk file that demonstrates the allocation methodology used.

The screenshot shows a web-based questionnaire titled "Questionnaire" with a sub-section "Cost and Expenses".

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

- Approved budget
- General ledger
- Trial balance
- Payroll register
- Other

If other, please describe

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

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

# Tasks to complete prior to audit procedures (continued)

## 1. Complete supporting documentation check (continued)

- The supporting documentation names you enter will flow through to the **“Documentation Requests”** tab.
  - This tab was created in the Tool to serve as the central location where you can stay organized and see all of the documents that you will need to submit.
  - 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 needs to be completed within seven calendar days of your cost report submissions (same timeframe as the requirement to upload all supporting documentation).
  - Once you 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.

**Document Requests** Submit Documentation Requests

This tab consists of the list of supporting documentation files that you should upload to the Secure File Transfer Protocol (SFTP) Site. This list consists of the document names that you identified within each schedule that were used to populate the cost report. Note that the document names below appear as you typed them within each schedule.

Please upload the documents requested below to the SFTP Site using the login credentials that were sent to you.

Log in to the SFTP site

After you upload your documentation to the SFTP Site, please mark the checkbox in the “Provided” column next to each document name to indicate that the file has been uploaded. This will help during the audit process to understand which documents have been uploaded to the SFTP Site.

Please note that multiple documents can be uploaded to the SFTP Site using a zip file. Agency contacts will have access to the agency’s specific folder on the SFTP Site.

The KPMG team will indicate when they have received the document by marking the checkbox in the “Received” column and will follow-up as necessary for any additional questions.

**Documentation Requests from the Cost Report Schedules Questions**

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

# 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 to KPMG through the 2020 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 2020 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 2020 Audit Tool must come from an officer of the home care agency or a member of the home care agency’s senior management team, as is the case for submission of the Home Care Cost Report itself. It is strongly recommended that this individual be the agency’s CEO, CFO, VP of Finance, or equivalent.

We at Test Organization 2 confirm, to the best of our knowledge and belief, the following representations as they relate to the Home Care Cost Report Audit for Report Year 2020:

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 2020 cost report year and for the 12 months prior.
5. For the period under audit, we have made available to you the requested financial records, reports and related data as instructed.
6. Detailed support exists for the amounts reported in the Home Care Cost Report and can be provided upon request, if not already done so.
7. Except as disclosed to you in writing, there have been no communications from the New York State Department of Health, or other regulatory agencies, concerning rulings made by The Department and/or noncompliance with, or deficiencies in, our Home Care Cost Report submissions.
8. There were no significant deficiencies, material weaknesses, or management letter comments noted that relate to the system(s) or process(es) that support the Home Care Cost Report submissions presented by the Test Organization 2 independent auditors for the period covered by this audit.
9. We believe that the effects of any data or documentation not provided as part of this request were not pertinent to KPMG’s audit effort.

Further, we confirm that we are responsible for the fair representation and provision of the items requested by KPMG, and if throughout the conduct of this audit any matter comes to my attention that would alter any of the representations made, I will contact you to discuss the matter.

Please provide the name and title of the official taking responsibility for the confirmation.

Name:  Title:

Please respond accordingly:

I agree with the assertions above.

I do not agree with the assertions above and take exception as noted below.

# 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. Any agencies selected by DOH for audit procedures will be required to complete this tab. For that reason, we encouraged all agencies to complete this tab in case they were selected for audit.
- The purpose of this tab is to reconcile the total entity costs reported on Schedules 3a, 3b, and/or 3c to the agency's Financial Statement documentation, to help ensure that all appropriate costs were included on Schedule 3.
  - For further detail on how to complete this tab, please review the instructions in the tab or the PDF and recording from the Initial Kickoff webinar held on June 28, 2022, which is available in the “Useful Links” section 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	Contact Information	Agency Representation	Audit / Questions	Data Representation	Reporting
<p>documentation, to help ensure that all appropriate costs were included on Schedule 3. 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 that reason, we encouraged all agencies to complete this tab. For that reason, we encourage all agencies to complete this tab.</p> <p>Please complete the reconciliation table below by:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Entering a description of the reconciling item.</li> <li>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.</li> <li>Entering the dollar amount of the reconciling item in 2021.</li> </ul> <p>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.</p> <p>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.</p> <p>For any additional comments or explanations, please enter them in the call for "Additional Comments."</p>												
<b>Financial Statement Reconciliation</b>												
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: <span style="border: 1px solid red; padding: 2px;">Add reconciling item</span>												
1	Bad Debt Expense	test	test	test	Supporting Documentation File Location	2021 Dollar Value	Additional Comments					
						10000	test					
Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation: <span style="border: 1px solid blue; padding: 2px;">Add reconciling item</span>												
Item Number	Reconciling Item		Description of Reconciling Item			Supporting Documentation File Location	2021 Dollar Value	Additional Comments				
							\$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 %					



# Tasks to complete prior to audit procedures (continued)

## 4. Enter contact information

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

**Team Contacts**  
If you have any questions or concerns regarding the tool, Requested Documents, Questionnaire, or the timeline, please contact the KPMG DOH Team at [us-advisknyshc@kpmg.com](mailto:us-advisknyshc@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 KPMG 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**. This tab comprises the following subtabs:
  - Documentation requests follow-up
  - Financial statement follow-up
  - General questionnaire follow-up
  - Direct care follow-up
  - Program administration follow-up
  - Service statistics follow-up
  - Potential findings
  - Provider questions



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

# “Audit/Questions” tab structure

## “Audit/Questions” tab

Test Organization 2 [Log out]

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

**Audit/Questions**

- Documentation Requests Follow-up
- Previous Findings 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
- Provider Questions

### Financial Statement

Manager Sign-off: -- Choose an item --  
 Senior Sign-off: -- Choose an item --

CHHA Total Entity Costs	
Total Entity Costs Per Cost Report	153,130.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="0.00"/>
<b>Variance %</b>	<b>-100.00 %</b>
<b>Variance (Dollars)</b>	<b>-153,130.00</b>

LHCSA Total Entity Costs	
Total Entity Costs Per Cost Report	145,010.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="0.00"/>
<b>Variance %</b>	<b>-100.00 %</b>
<b>Variance (Dollars)</b>	<b>-145,010.00</b>

# Documentation Requests Follow-up

## “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.

[Add Documentation Request...](#) [SFTP Site](#)

IFC Item Summary	Documentation request:
IFC Number: 1 Last updated: 11/11/2020 Created: 11/10/2020 Status: Open Requested By: KPMG	We do not see the following documentation: 1. XYZ 2. XYZ

File name:

**Actions**

Movable by Provider

Movable by Department

Documentation Submitted

KPMG Comments/Conclusions:

Potential Findings: **Finding 1**

Open  Closed

[Add Documentation Request...](#) [SFTP Site](#)

[Sort...](#)

[Filter...](#)

[Clear Filter](#)

# Financial Statement Follow-up

## “Financial Statement Follow-up” subtab

### Background and purpose

- The “Financial Statement Follow-up” subtab is the location where the financial statement test step procedures and agency follow-up will occur.
- The information being reviewed during this procedure is derived from Schedule 3 (summation of Column 001 [Total Entity Costs]) for each provider type (CHHA, LHCSA, and/or FI).
- Follow-ups 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 for related issues will occur directly in the “Financial Statement Follow-up” subtab (blue and yellow communication boxes).

Financial Statement	
CHHA Total Entity Costs	
Total Entity Costs Per Cost Report	310.00
Total Entity Costs Per Supporting Documentation	<input type="text" value="400.00"/>
Variance %	29.03 %
Variance (Dollars)	90.00

#1 - KPMG user ryanmcgrath@kpmg.com - 21 minutes ago  
Test Inquiry to Provider

#2 - Provider Test\_Provider2@avii.com - less than a minute ago  
Test Response back to KPMG

# General Questionnaire Follow-up

## “General Questionnaire Follow-up” subtab

### Background and purpose

- The “General Questionnaire Follow-up” subtab is the location where the General Questionnaire test step procedures and follow-up will occur.
- The information being reviewed during this procedure is derived from the responses provided in the “General Questionnaire” tab.
- Follow-ups from audit teams will be related to the questions flagged in the “General Questionnaire Follow-up” subtab.
- Communication between the audit team for related issues will occur directly in the “General Questionnaire Follow-up” subtab by adding a comment (as shown below).

**Audit/Questions**

- Documentation Requests Follow-up
- Financial Statement Follow-up
- General Questionnaire Follow-up**
- Direct Care Follow-up
- Program Administration Follow-up
- Service Statistics Follow-up
- Medicaid Revenue Follow-up
- Potential Findings
- Provider Questions

**Follow Up Questions**

Manager Sign-off: -- Choose an item --  
Senior Sign-off: -- Choose an item --

**IFC Item Summary** | **Question:**

IFC Number: 3  
Last updated: 3/10/2022  
Created: 3/10/2022  
Status: Open  
Requested By: KPMG

**Actions**

- Viewable by Provider
- Viewable by Department
- Question Resolved

KPMG Comments/Conclusions:

Question: G.1  
Please provide the following regarding the preparation, review and submission of the cost report.

Professional name, title, and email address of the person who is responsible for the preparation of the cost report.

Name	Title	Email address	Phone number	Actions
Test Organization 1	Fiscal Manager	johnsmith@gmail.com	(123)456-7890	

Is someone other than the preparer responsible for reviewing the cost report?  
**No**

**Add Comment...**

# Direct Care Follow-up

## “Direct Care Follow-up” subtab

### Background and purpose

- The “Direct Care Follow-up” subtab is the location where the Direct Care test step procedures and follow-up will occur.
- The information being reviewed during this procedure is derived from the following Schedule 3 columns 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-ups 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
  - Allowable nature of the information being reported
- Communication between the audit team for related issues will occur directly in the “Direct Care Follow-up” subtab (blue and yellow communication boxes).

LHCSA Direct Care Costs (Schedule 3)						
	Program Aide (Direct Care)	Program RN Supervision/Assessment (Direct Care)	Program Staff Training	Transportation	Contracted Purchased Services	Other
Total Costs Per Cost Report	25.00	25.00	25.00	25.00	25.00	25.00
Total Costs Per Supporting Documentation	0.00	0.00	0.00	0.00	0.00	0.00
Variance %	-100.00 %	-100.00 %	-100.00 %	-100.00 %	-100.00 %	-100.00 %
Variance (Dollars)	-25.00	-25.00	-25.00	-25.00	-25.00	-25.00

#1 - KPMG user ryanmcgrath@kpmg.com - 2 minutes ago  
Test Inquiry to Provider

#2 - Provider Test\_Provider2@avi.com - less than a minute ago  
Test Response to KPMG



# Program Administration Follow-up

## “Program Administration Follow-up” subtab

### Background and purpose

- The “Program Administration Follow-up” subtab is the location where the Program Administration test step procedures and follow-up will occur.
- The information being reviewed during this procedure is derived from the following Column 004 (Program Administration) of Schedule 3 and Schedule 4 for each provider type (CHHA, LHCSA, and/or FI).
- Follow-ups 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
  - Allowable nature of the information being reported
  - Alignment between Schedule 3 Column 004 (Program Administration) and Schedule 4 Column 004 (Program Administration)
- Communication between the audit team for related issues will occur directly in the “Program Administration Follow-up” subtab (blue and yellow communication boxes).

CHHA Program Administration Costs			
	Program Administration (Schedule 3a)	Program Administration (Schedule 4a)	Variance between Schedule 3 and 4 column 004 total
Total Costs Per Cost Report	20,000.00	20,000.00	0.00
Total Costs Per Supporting Documentation	<input type="text" value="0"/>	<input type="text" value="0"/>	0.00
Variance %	-100.00 %	-100.00 %	
Variance (Dollars)	-20,000.00	-20,000.00	

#1 - KPMG user rmuncil@kpmg.com - 5 minutes ago  
Test inquiry

#2 - Provider Test\_Provider2@evii.com - less than a minute ago  
Test response to KPMG

# Service Statistics Follow-up

## “Service Statistics Follow-up” subtab

### Background and purpose

- The “Service Statistics Follow-up” subtab is the location where the Service Statistics test step procedures and follow-up will occur.
- The information being reviewed during this procedure is derived from the service type rows of Schedule 5 for each provider type (CHHA, LHCSA, and/or FI).
- Follow-ups 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
  - Allowable nature of the information being reported
- Communication between the audit team for related issues will occur directly in the “Service Statistics Follow-up” subtab (blue and yellow communication boxes).

C1000 Provider Service Statistics (Schedule 5)				
	Total WaiverHours Per Cost Report	Total WaiverHours Per Supporting Documentation	Variance %	Variance (\$/line)
Home Health-Aide	10,100.00	0.00	-100.00 %	-10,100.00
Home Health-Physical Therapy	0.00	0.00	-100.00 %	-0.00
Home Health-Occupational Therapy	0.00	0.00	0.00 %	0.00
Home Health-Registered Nurse	0.00	0.00	0.00 %	0.00
Home Health-Medical Social Services	0.00	0.00	0.00 %	0.00
Home Health-Nutrition	0.00	0.00	0.00 %	0.00
Home Health-Speech Therapy	0.00	0.00	0.00 %	0.00
Home Health-Swallowing Therapy	0.00	0.00	0.00 %	0.00
Home Social & Environmental Support	0.00	0.00	0.00 %	0.00
Home Health Sign Language/Oral Interpreter	0.00	0.00	0.00 %	0.00
PC- Level I	0.00	0.00	0.00 %	0.00
PC- Level II	0.00	0.00	0.00 %	0.00
PC- Level II - Hard to Serve	0.00	0.00	0.00 %	0.00
Live-In	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
Shared Aide- Level I	0.00	0.00	0.00 %	0.00
Shared Aide- Level II	0.00	0.00	0.00 %	0.00

#1: AHHA cost review@kpmg.com - 6/29/2024 4:20 test inquiry
#2: Provider Test_176662@kpmg.com - 2/29/2024 4:20 test response to KPMG

# Audit adjustments

## Adjustments

- There may be instances where errors are identified and adjustments to the cost report are necessary to correct the error during the audit process.
- 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, KPMG will send a detailed adjustment communication to the agency outlining the adjustments to be made. KPMG will also set up a phone 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 two weeks 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 located in the “Potential Findings” subtab.
  - Audit **findings** are the result of issues identified during audit procedures, such as:
    - Insufficient supporting documentation
    - Misreporting of allowable versus non-allowable costs
    - Discrepancies between supporting documentation and the data reported on the cost report
  - Each finding has corresponding Audit **subfindings**, which provide 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-allowable costs were reported as allowable costs), whenever possible.
  - This will allow audit teams and agencies to both fully understand the issue so an appropriate adjustment can 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
Subunit Tax ID Number	12-123456
Number of CHSA Entities	2
Number of LMSA Entities	1
Number of PI Entities	1
Subj / Field Audit	Desc

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 at which time 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(b) and Social Services Law §365-14-a:

- Public Health Law §3612(b): "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-a): "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	Comments	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 PI units of service in the incorrect service type category (Schedule S). The adjustment was properly executed during audit procedures.	KPMG Finding Note	Document Request/Documentation Request Language	No Answer Yet	<input type="text"/>



What if I am  
selected for field  
audit procedures?

# Field audit procedures



- A portion of the agencies undergoing standard 2021 desk audit procedures will be selected by DOH for additional "field" audit procedures.
- 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 KPMG for review.
  - Note that "field audit" does not imply that we will be physically going to the agency site. We expect all audit procedures to continue to be performed remotely for the 2021 cost report year.
- If your agency is selected for field audit procedures, you will be receiving a communication from your assigned KPMG 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 **direct care (Schedule 3), program administration (Schedule 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) for any contracted services expense reported on Schedule 3, in the “Contracted Purchased Services” Column (009)
  2. Transaction detail for advertising/marketing costs
  3. An explanation of the types of costs that the agency used their Workers’ Recruitment & Retention (WR&R) revenue on
  4. Year-to-date (YTD) payroll registers and employee listing that includes job titles
  5. Patient-level statistical data reports that were used to complete Schedule 5
- We encourage all 2021 auditees to begin compiling this documentation so that they are prepared in the event that they are selected for 2021 field audit procedures.

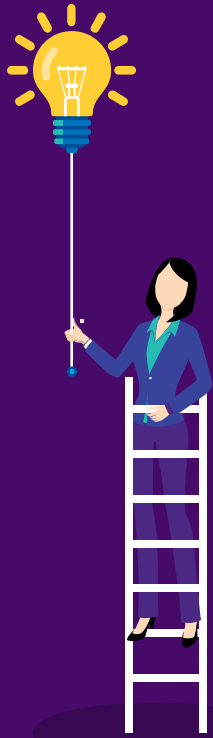




# Next steps

# Next steps

## Next steps



1. If you have not already received this, be on the lookout for an Audit Notification Package that would be sent from [us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com) (will only be sent to agencies selected for audit).
2. Enter contact information in the “Contact Information” tab of the Tool. Be sure to include the following for each individual who should receive information related to the audit process:
  - Individual’s first and last name
  - Title
  - Phone number
  - Email
3. Complete the supporting documentation check within the “Documentation Requests” tab of the Web-based Tool.
4. Submit agency representation via the Home Care Cost Report Tool (“Agency Representation” tab) by the date communicated in the Audit Notification Package (further details are also covered in the notification package).
5. Complete the “Financial Reconciliation” tab.
6. Please be on the lookout for an introduction communication from your assigned KPMG audit team.
7. Respond to inquiries from the KPMG team throughout the duration of the audit.
8. Send any general questions related to the audit to [us-advrisknyshc@kpmg.com](mailto: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.
9. Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all auditees have been notified.



# Q&A Period



Thank you



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