



# Home Care Cost Report September Outreach Session



September 30, 2020



# 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
Technical Items	DOH	20 minutes
Web-based Tool Items	KPMG	25 minutes
Q&A Period	DOH/KPMG	10 minutes
		<b>Total Time: 60 minutes</b>

# Timeline

Activity	Responsible Party	Dates
Providers continue to complete the Home Care Cost Report submissions	Providers	Current through October 31 <sup>st</sup> , 2020
September outreach session	DOH/KPMG/Providers	September 30 <sup>th</sup> , 2020
October outreach session/Audit kick-off session	DOH/KPMG/Providers	October 28 <sup>th</sup> , 2020
Home Care Cost Report submissions are due	Providers	October 31 <sup>st</sup> , 2020
KPMG to conduct audits of the Home Care Cost Report submissions	KPMG/Providers	November through January 2021
Lessons learned webinar to discuss successes, opportunities for improvement, and future year suggestions	DOH/KPMG/Providers	January 2021

# Technical Items

# Technical Items

## Important Information

- The Home Care Cost Report is due on **October 31<sup>st</sup>, 2020**.
  
- If a Certified Home Health Agency (CHHA), Licensed Home Care Services Agency (LHCSA), or Fiscal Intermediary (FI) was operational in calendar year 2019, they are required to complete the Home Care Cost Report.
  - This statement still applies even if the agency is currently non-operational in 2020 or if the agency was operational for only part of calendar year 2019.
  
- As a reminder, the following providers are not required to complete the Home Care Cost Report:
  - Assisted Living Program (ALP) only agencies
  - Private pay only agencies
  - Hospital-based CHHAs or LHCSAs
  - Private duty nursing only agencies
  - Agencies receiving no Medicaid reimbursement (through FFS or MLTC)
  - LHCSAs who contract with CHHAs and provide no other Home Care services
  - CHHAs who provide ONLY Hospice services
  - PACE program only facilities
  - NHTD and TBI program only facilities

# Terminology

## Agency and Entity Clarification

### Agency

- An agency is defined as an organization that operates one or more LHCSA, CHHA, or FI. Agencies that operate one or more of these facilities must complete certain schedules of the Home Care Cost Report for each of these entities.

### Entity

- An entity is defined as a LHCSA, CHHA, or FI. An entity may be operated as part of a larger agency or may be free-standing.

### CHHA Entity Identifier

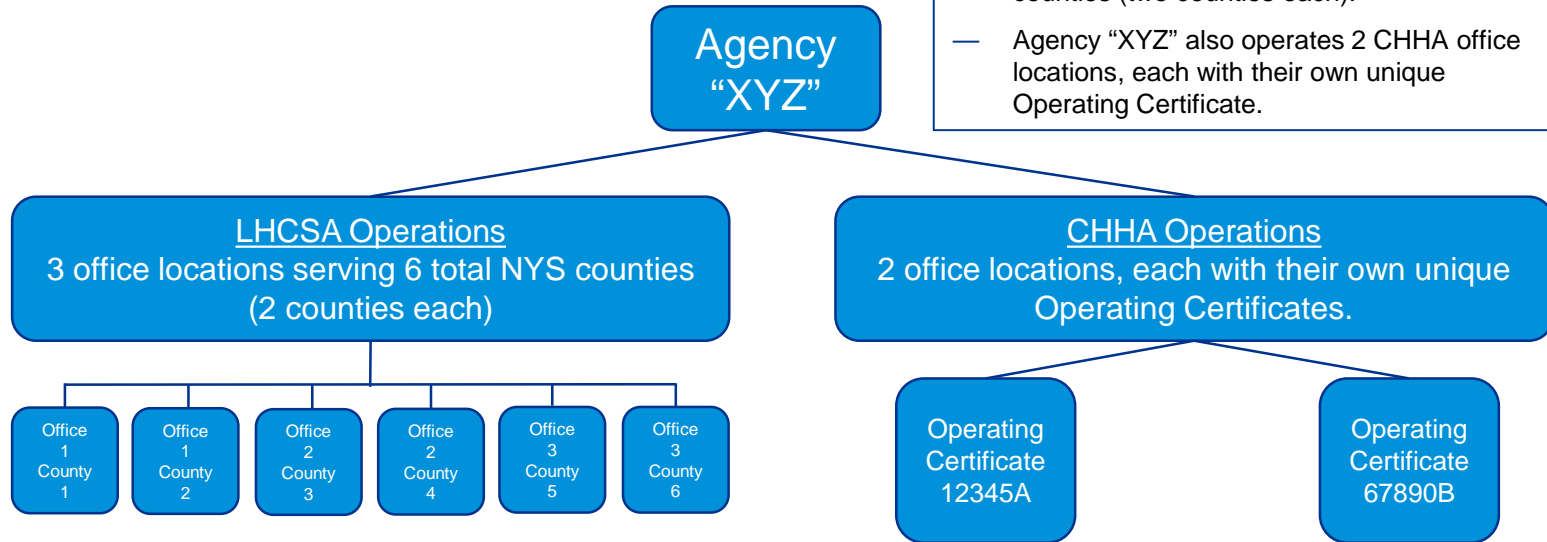
- The **Operating Certificate** will be used as the unique entity identifier for CHHAs.
  - For example, if an agency holds three CHHA operating certificates, the agency is said to have three CHHA entities for the purposes of the Home Care Cost Report submissions.
  - CHHA entities are not classified based on county of operation, but rather solely based on their Operating Certificate.

### LHCSA and FI Entity Identifier

- LHCSA and FI entities are required to be **separated by county**.
  - For example, if a LHCSA agency provides services in two counties, then that agency is said to have two entities for the purposes of Home Care Cost Report submissions.
  - This should not result in changes to the existing reporting practices, as the Personal Care Provider Cost Report was previously completed by county for LHCSAs and FIs.
  - Note that if an FI currently has a pending application status or has previously operated as part of a LHCSA, the FI entity should still be broken out separately as its own entity for reporting purposes.
  - In addition, some agencies may have office locations that service multiple counties. An entity should not be identified based on the physical office locations, but rather the county served. A unique LHCSA or FI entity is associated with one county.

# Terminology (continued)

## Agency and Entity Clarification Example



### Scenario:

- Agency "XYZ" operates 3 LHCSA office locations that serve a total of 6 NYS counties (two counties each).
- Agency "XYZ" also operates 2 CHHA office locations, each with their own unique Operating Certificate.

### Correct Agency/Entity Reporting:

- Agency "XYZ" is considered to be the "agency" that operates all of the above LHCSAs and CHHAs.
- For the purposes of the Home Care Cost Report, the "entity" designations are as follows:
  - Agency "XYZ" operates 6 LHCSA entities.
  - Agency "XYZ" operates 2 CHHA entities.
- Note that all of the above entities would be reported as part of one Home Care Cost Report submission. This cost report would be submitted by Agency "XYZ" and would contain information for all associated LHCSA and CHHA entities.

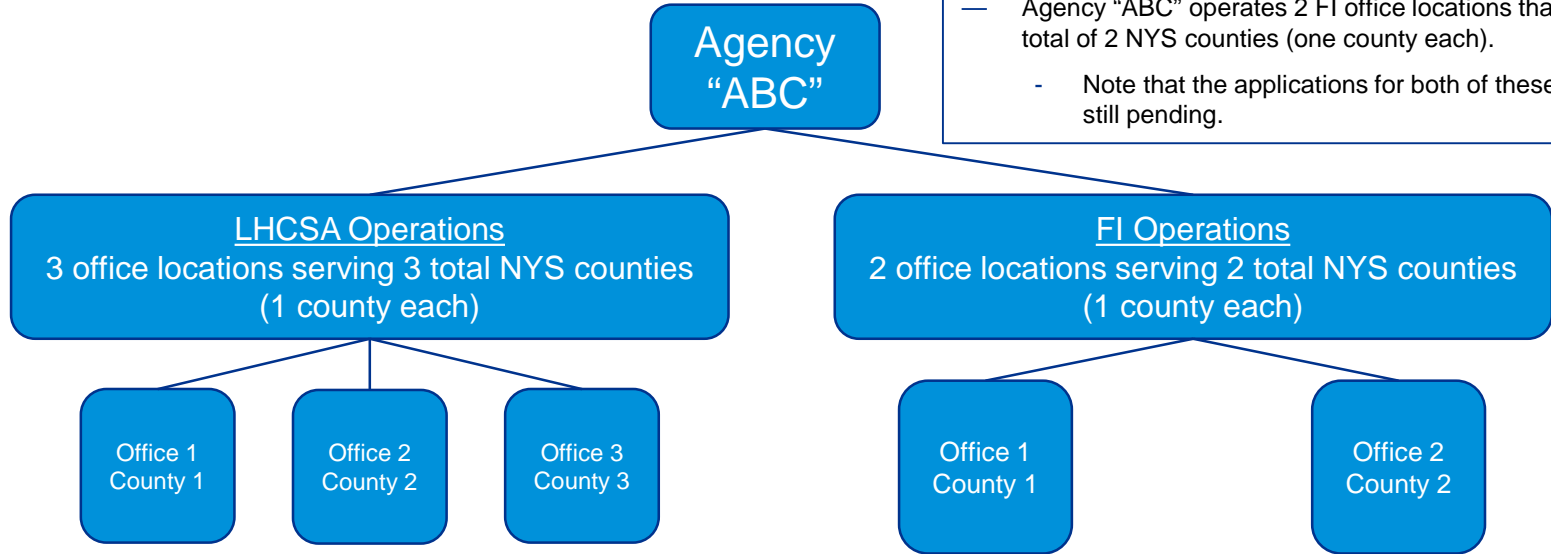


# Terminology (continued)

## Agency and Entity Clarification Example

**Scenario:**

- Agency “ABC” operates 3 LHCSA office locations that serve a total of 3 NYS counties (one county each).
- Agency “ABC” operates 2 FI office locations that serve a total of 2 NYS counties (one county each).
  - Note that the applications for both of these FIs are still pending.



### Correct Agency/Entity Reporting:

- Agency “ABC” is considered to be the “agency” that operates all of the above LHCSAs and FIs.
- For the purposes of the Home Care Cost Report, the “entity” designations are as follows:
  - Agency “ABC” operates 3 LHCSA entities.
  - Agency “ABC” operates 2 FI entities.
- Note that all of the above entities would be reported as part of one Home Care Cost Report submission. This cost report would be submitted by Agency “ABC” and would contain information for all associated LHCSA and FI entities.
  - Although the FI applications are still pending, these entities should be reported separately on the Home Care Cost Report.

# Technical Items

## General Items

### Reporting Managed Care and Contracting Information

- Information being submitted in the Home Care Cost Report for the provision of services should include both fee-for-service and managed care data.
  
- The only location in the cost report where managed care information should be specifically broken out can be seen below:
  - **Schedule 5a.1, 5a.2, 5b, and 5c (Service Statistics)**: This schedule breaks out the information by payor type. Medicaid managed care is one of the columns that requires information to be reported (along with Medicaid fee-for-service, Dual-eligible, Medicare, Private pay, and Other).
  
- Please also note that services provided through an MLTC are not considered “contracted services” for the purposes of the Home Care Cost Report. The MLTC is considered to be acting as an Agent for the state.
  - **Question G.10 and G.10a of the General Questionnaire**: When asked to report any “contracting relationships with other agencies for the delivery of services,” note that you should only report contracts that you have with other home care service providers. MLTC contracts should not be reported in this location.
  - **Schedule 9a and 9b (Contracted Staff)**: This schedule requires information to be reported for contracted staff. Information in this schedule should not be reported based on contracts with an MLTC.
  
- Examples of these contracting relationships can be seen on the subsequent slides.

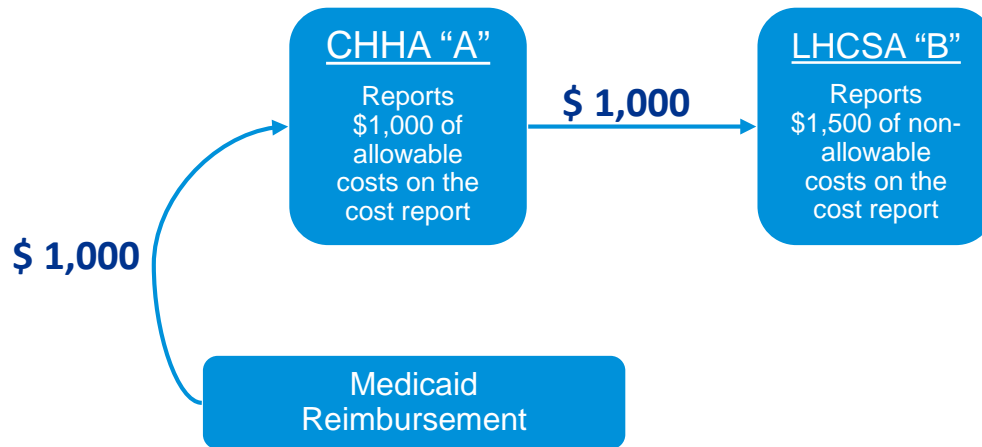
# Contracting Relationships

## CHHA and LHCSA Contracting

- Many agencies have contracting relationships with other agencies to perform direct care services.
  - Current Scenario:
    - There are instances where a CHHA will contract out the delivery of HHA services to a LHCSA.
    - Only one agency will be directly reimbursed for their costs by Medicaid.
  - Guidance:
    - Only the agency contracting out the services should report the associated costs as allowable on the Home Care Cost Report.
    - The agency acting as a subcontractor **should not** report these services as allowable.
      - Instead, for all LHCSA schedules that require the reporting of information by service type, there is a line item for “Other non-allowable services.” Any costs related to a LHCSA performing HHA services as part of a contract with a CHHA should be reported in this line.

# Contracting Relationships Continued

## Contracting Example



### Scenario:

- The below scenario depicts a contracting relationship:
  - CHHA "A" is an agency which contracts with LHCSA "B"
  - As a subcontractor, LHCSA "B" performs HHA services on behalf of CHHA "A"
  - For these services, LHCSA "B" incurs \$1,500 worth of costs
  - For these same services, CHHA "A" pays LHCSA "B" \$1,000

### Correct Reporting Methodology:

- CHHA "A" should report \$1,000 of allowable costs on the Home Care Cost Report.
- LHCSA "B" should report \$1,500 of non-allowable costs in the "Other non-allowable services" line on the Home Care Cost Report.

### Reimbursement:

- As the contracting agency that is reporting the costs as allowable, CHHA "A" will be reimbursed through Medicaid.
- As the subcontracting agency, LHCSA "B" will be reimbursed directly by CHHA "A" for these costs. LHCSA "B" **will not** receive Medicaid reimbursement.

# Contracting Relationships (continued)

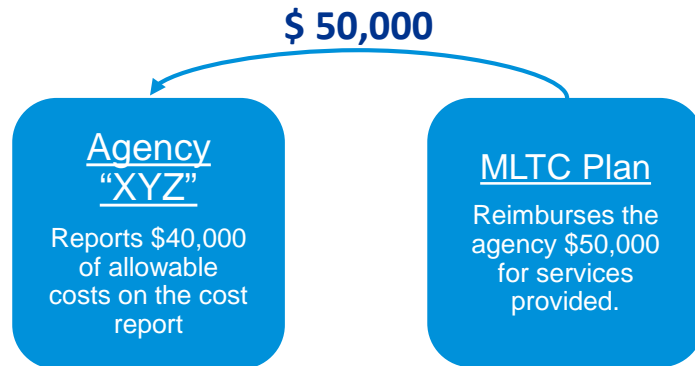
CHHA "A" Reporting										
CHHA Name	CHHA A									
CHHA Operating Certificate	54321									
Schedule 3a: CHHA Costs & Expenses by Service Type	Total Entity Costs (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Costs (Sum of columns 004 through 010)	Program Administration	Program 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
<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>	<b>019</b>									

# Contracting Relationships (continued)

LHCSA "B" Schedule Reporting										
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
Direct Care										
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					
GRAND TOTAL	010									

# Contracting Relationships Continued

## Contracting Example



### Scenario:

- The below scenario depicts a contracting relationship:
  - Agency "XYZ" has a contract with a Managed Long Term Care (MLTC) plan to perform Home Health Aide direct care services.
  - The MLTC plan pays Agency "XYZ" \$50,000 for the services.
  - Agency "XYZ" incurs \$40,000 worth of costs for the services.

### Correct Reporting Methodology:

- Agency "XYZ" should report \$40,000 worth of allowable costs for the direct care services provided.
- These costs should not be reported in the "Contracted Purchased Services" column because these services are reimbursed by a Medicaid payor, rather than through an agreement with a separate agency.

### Reimbursement:

- Agency "XYZ" is reimbursed by the MLTC Plan in the amount of \$50,000 for the direct care services performed.

# Contracting Relationships (continued)

Agency "XYZ" Reporting										
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
<b>Direct Care</b>										
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									
<b>GRAND TOTAL</b>	019									



# Technical Items

## Allocation Methodology

### Allocation Methodology Guidance

- The Department of Health has prescribed the Total Operating Expenses allocation methodology to allocate information within the Home Care Cost Report.
  - If a provider is unable to use this approach, they can explicitly document the allocation methodology they used (e.g., Hours of Service, Square Feet Occupied, Time Study).
  - Note that this information will be reviewed by KPMG during the audit process. Further information regarding required documentation to submit related to your agency's allocation methodology can be seen in the Audit Process Workshop presentation located in the Instructions tab of the Web-based Tool.

# Web-based Tool Items

# Web-based Tool Items

## Tool Inquires

### Unlocking a Cost Report to Edit Information

- If you need to edit information in the Reporting Hierarchy and General Questionnaire tab but have already submitted this section, you will need to send an email to [us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com) requesting this section to be unlocked.

### Additional Login Credentials

- If your agency still needs additional login credentials created, please send the request to [us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com) (including full name and email address).
  - Before sending a login credential request, please make sure that you check your spam folder for emails from both [us-advrisknyshc@kpmg.com](mailto:us-advrisknyshc@kpmg.com) and [no-reply@avii.com](mailto:no-reply@avii.com).
- For individuals who have access to cost reports for multiple agencies, please note that you did not receive a separate set of login credentials for each agency.
  - The same login credentials will be used for all agencies you are associated with.
  - You will see a drop down menu upon logging in where you can choose which agency's cost report you would like to access.

# Web-based Tool Items

## Available Resources

### 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 and as a PDF download)
  - PDF presentations and recordings of previous outreach sessions
  - Tutorial videos for the various components of the Web-based Tool
  - An Excel template of the cost report schedules

The screenshot displays the user interface of the Web-based Tool. At the top, there is a navigation bar with the following tabs: **Instructions** (highlighted), Frequently Asked Questions (FAQ), Reporting Hierarchy and General Questionnaire, Cost Report Schedules, Cost Report Submission, Communications, Contact Information, Audit/ Questions, Engagement Status, and Reporting. The main content area is titled "Instructions" and contains a list of expandable items: Introduction, Completion of Cost Report, Completion of Web-based Tool, and Completion of Audit Process. On the right side, there is a "Useful Links" sidebar with the following sections:

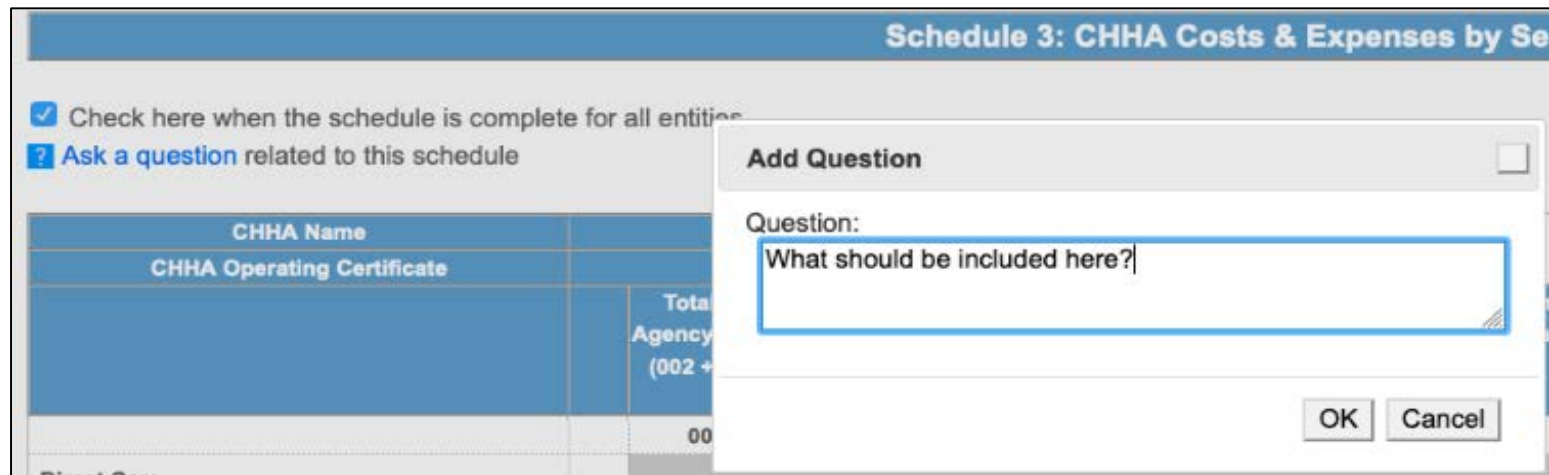
- 5/27 Relaunch Session**
  - Relaunch Session PDF
  - Relaunch Session Video
- 6/2 Initial Statewide Outreach Session**
  - Outreach Session PDF
  - Outreach Session Video
- 6/24 Monthly Outreach Session**
  - Outreach Session PDF
  - Outreach Session Video
- 7/29 Monthly Outreach Session**
  - Outreach Session PDF
  - Outreach Session Video
- Tutorial Videos**
  - Instructions Tab Video
  - FAQ Tab Video
  - Reporting Hierarchy and General Questionnaire Tab
  - Cost Report Schedules Tab
  - Cost Report Submission Tab

# Web-based Tool Items

## Available Resources

### 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.



# Web-based Tool Items

## Tool Updates

### Web-based Tool Updates

- A few adjustments have been made to cost report schedules 3 and 4 to provide greater clarity regarding the appropriate area to report certain costs.
- These updates will also provide for more consistent reporting, more accurate data gathering, and reduce potential follow-up questions and findings during the audit process.

### Schedule 3a (CHHA), 3b (LHCSA), and 3c (FI): Costs and Expenses

- Within Schedules 3a, 3b, and 3c, Column 004 - Program Administration is now highlighted in red as values should not be entered in this column.
- Please note that no cells in this column should have data entered into them.
- If your Schedule 3 currently has data reported in the cells that have a red background, you will need to reassess the information and report it in a more appropriate location.
  - Note that Program Administration costs should be reported in their respective rows of Schedule 4a, 4b, and 4c: General Service Cost Centers.
- A communication document was distributed on 9/29/20 providing additional reporting guidance.

# Web-based Tool Items

## Schedule 3 Layout

CHHA Name CHHA Operating Certificate	CHHA 2 123456			Program Administration	Program Aide (Direct Care)	Program RN Supervision/ Assessment (Direct Care)	Program Staff Training	Transportation	Contracted Purchased Services	Other
	Total Entity Costs (002 + 003)	Non-Allowable Costs (Adjustment to Expense)	Allowable Costs (Sum of 004 through 010)							
	001	002	003	004	005	006	007	008	009	010
Direct Care										
Home Health Aide	001	0	0	0	0	0	0	0	0	0
Home Health Physical Therapy	002	0	0	0	0	0	0	0	0	0
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									
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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									

### Key Reporting Elements

- Salaries and benefits for direct care workers should be reported in Column 005: Program Aide (Direct Care)
- Salaries and benefits for Program RN Supervision/Assessment should be reported in Column 006: Program RN Supervision/Assessment (Direct Care)
- Transportation related costs for direct care workers, such as gas and mileage, should be reported in Column 008: Transportation.

# Web-based Tool Items

## Tool Updates

### **Schedule 4a (CHHA), 4b (LHCSA), and 4c (FI): General Service Cost Centers**

- Certain cells throughout Schedule 4a, 4b, and 4c have been identified as locations where information should not be entered. Updates have been made to the following columns/rows within Schedule 4a, 4b, and 4c:
  - Column 005 - Program Aide (Direct Care): Certain cells within this column have been highlighted in red.
  - Column 006 - Program RN Supervision/Assessment (Direct Care): Certain cells within this column have been highlighted in red.
  - Column 007 - Program Staff Training: Certain cells within this column have been highlighted in red.
  - Column 008 - Transportation: All cells within this column have been highlighted in red.
  - Column 009 - Contracted Purchased Services: Certain cells within this column have been highlighted in red.
  
- If your Schedule 4 currently has data reported in the cells that have a red background, you will need to reassess the information and report it in a more appropriate location.
  
- A communication document was distributed on 9/29/20 providing additional reporting guidance.



# Web-based Tool Items

## Schedule 4 Layout

CHHA Name		CHHA 2								
CHHA Operating Certificate		123456								
	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
	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									
Employee physicals/uniforms/immunizations	017									
Other	018									
<b>GRAND TOTAL</b>	<b>019</b>									

# Web-based Tool Items

## Schedule 4 Key Reporting Elements

### Key Reporting Elements

#### — Column 004: Program Administration

- Administrative worker salary/compensation costs should be reported in the **Administration & General row** of Column 004.
- Administrative worker benefits should be reported in the **Administration & General row** of Column 004.
- Transportation related costs for administrative purposes, such as gas and mileage, should be reported in the **Transportation row** of Column 004. Travel time wages should not be reported in the Transportation row, but rather in the Administration & General row.

#### — Column 005: Program Aide (Direct Care)

- There are only three rows that have the potential for items to be reported in Column 005:
  - Criminal Background Check & Finger Printing for direct care workers
  - Employee physicals/uniforms/ immunizations for direct care workers (for CHHAs and LHCSAs)
  - Other (although this should be minimal, if any)

#### — Column 006: Program RN Supervision/Assessment (Direct Care)

- There are only three rows that have the potential for items to be reported in Column 006:
  - Criminal Background Check & Finger Printing for direct care workers
  - Employee physicals/uniforms/ immunizations for direct care workers (for CHHAs and LHCSAs)
  - Other (although this should be minimal, if any)

# Web-based Tool Items

## Schedule 4 Key Reporting Elements

### Key Reporting Elements

#### — Column 007: Program Staff Training

- There are only three rows that have the potential for items to be reported in Column 007:
  - Supplies & Materials
  - Administration & General
  - Other (although this should be minimal, if any)

#### — Column 008: Transportation

- No costs should be reported in Column 008.

#### — Column 009: Contracted Purchased Services

- There are only four rows that have the potential for items to be reported in Column 009:
  - Plant Operations & Maintenance
  - Transportation
  - Administration & General
  - Other (although this should be minimal, if any)

Q&A Period

Thank You



[kpmg.com/socialmedia](https://kpmg.com/socialmedia)

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