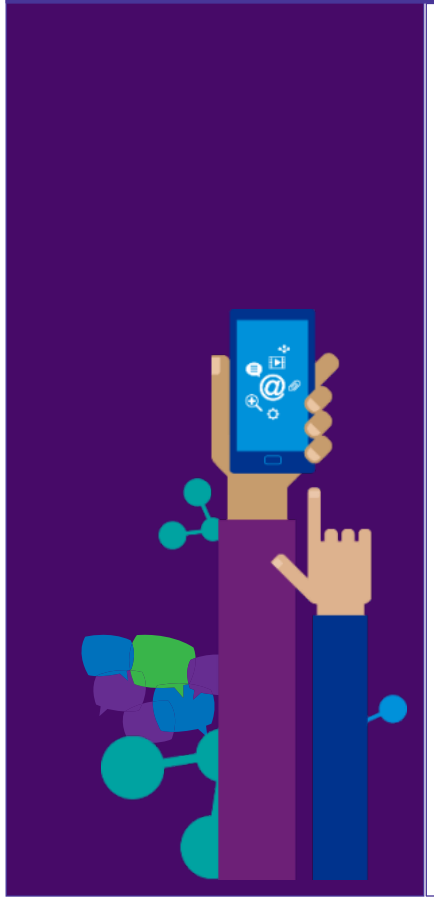
# 2025 Home Care Cost Report Audit Kickoff

NEW YORK STATE OF OPPORTUNITY. Department of Health

Date: September 14, 2026

# Outreach session protocols

## Protocols

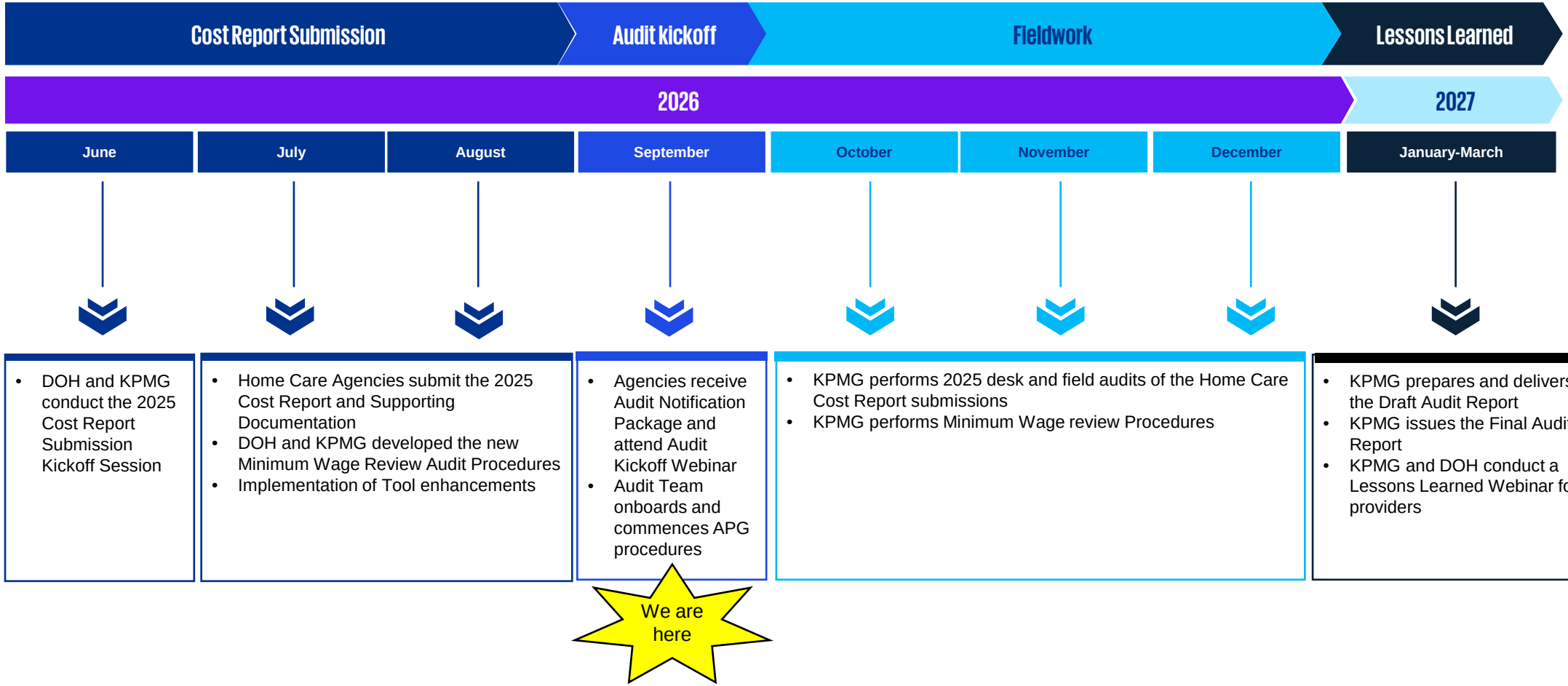


- Please note that participants will be on mute for the duration of the session.
- If you have questions during the presentation, please enter them using the chat feature in Microsoft Teams during the designated question periods throughout the presentation. The New York State Department of Health (DOH or the Department) and KPMG LLP (KPMG) will 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 and Audit 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 |
| | **Total Time:** | **60 minutes** |

# 2025 Cost Report Timeline



# Auditee selection

## Items to note

- The Department of Health selected Home Care agencies for audit for the 2025 cost report year.
- If your agency has been selected by DOH for audit, you should have received an Audit Notification Package from KPMG (us-advrisknyshc@kpmg.com).
  - **Please do not send an email asking if your agency has been selected for audit.** Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all agencies have been notified.
- KPMG will conduct audit procedures from September 2026 to December 2026.

# 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 retention and reporting processes and systems.
- Promote uniform standards for data submission and collection.
- Improve compliance and reporting through training and outreach.

— **Audit scope:**

- All agencies that submit a 2025 Home Care Cost Report may be subject to audit.
- 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.
- Desk procedures will include a review of cost report Schedules 3, 4, 5, and a portion of Schedule 19.

— 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

## 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
  - Communications
  - Next steps and key resources
  - Documentation requests details

# Audit overview

## Minimum Wage Review Procedure

— Some agencies may also be selected by DOH for **Minimum Wage Review Procedures** along with the 2025 Home Care Cost Report audit process.

- The Minimum Wage Review Procedures are separate and distinct from the Home Care Audit procedures and will be performed alongside the standard audit procedures for selected agencies.
- Although separate, the Minimum Wage Review Procedures will be conducted by the assigned Home Care audit team to promote efficiency and consistency throughout the review process.
- If an agency is selected for Minimum Wage Review Procedures, your agency will be notified by your assigned audit team and provided any additional guidance needed.

# Key phases of the audit

| Phase | Key milestones | Associated agency activities |
|---|---|---|
| I. Kickoff | — Auditee notification<br>— Planning/Prefieldwork<br>— Audit Kickoff webinar | Identify appropriate professionals to be involved in the audit. |
| | | Review the Lessons Learned and Cost Report Submission webinars and pre-recorded modules posted in the “Useful Links” subtab of the Home Care Tool and attend the Audit Kickoff webinar. |
| | | Enter agency contacts in the “Contact Information” subtab within the “Communication” tab. |
| | | If not already done, complete the “Financial Reconciliation” subtab 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 agency’s financial statements. |
| | | Complete the “Documentation Requests” subtab by marking all documentation that was provided to the Secure File Transfer Protocol (SFTP) site as “Provided.” The titles that appear in this tab are derived from your answers to the schedule-specific questions at the top of each schedule. |
| II. Fieldwork | — Desk audit procedures<br>— Field audit procedures (if applicable)<br>— Adjustments (if applicable) | Help resolve any reporting 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. |
| | | **Execute the required adjustments within the “Adjusted Cost Report Schedules” subtab of the Tool if errors are identified during the Audit.** |

# Key phases of the audit (continued)

| Phase | Key milestones | Associated agency activities |
|---|---|---|
| III. Closeout | – Review and agree/disagree to Findings within the "Potential Findings" subtab (if applicable)<br>– Management response (if applicable)<br>– Final Exit Dashboard | 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. |
| | | All agencies subject to audit must reconfirm representation in the "Agency's Audit Representation" subtab of the Home Care Tool as part of the closeout procedures, regardless of whether any adjustments were submitted. This step should be completed when reviewing Potential Findings. |
| | | Review and provide management response on each finding and/or Performance Improvement Opportunities (PIOs) on the Exit Dashboard, if applicable. |
| | | Sign off in the "Dashboard Signoff" section to finalize the Exit Dashboard. |

# Audit process

## Data collection and protocols

### Supporting documentation and inquiries:

— Supporting documentation that was used to complete the Home Care Cost Report was required to be uploaded to the SFTP site within seven (7) business days of the cost report submission.

— Throughout the audit process, your KPMG audit team will follow up with your agency to request clarification or explanations for certain items or to request additional documentation.

- Agencies are expected to provide the requested information within **three (3) business days of the audit team's request.**
- All additional supporting documentation should be uploaded via the SFTP site.
    - A step-by-step guide, the Secure File Transfer Protocol Guide for Providers, was developed and published to help providers successfully log into the SFTP site and complete secure file uploads.

### 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 becomes nonresponsive, the audit team will send a follow-up email to the contacts noted within the Tool. If the agency does not respond within three (3) business days, a finding will be documented and shared with DOH.

— NOTE: The data reported on the 2025 Home Care Cost Report, specifically on Schedules 3, 4, 5, and 7, will be used to set 2027 Medicaid reimbursement rates.

- If adjustments are made throughout the audit process, DOH will use the adjusted (corrected) 2025 cost report data for 2027 rates.

**Reminder…**

# Tasks to complete prior to audit procedures

## Three tasks to complete

If you have not already done so, please complete these three tasks that auditees must complete prior to beginning audit procedures. These tasks are listed below and described in further detail on the following slides.

1. Review the **“Documentation Request” subtab** in the Web-based Tool and confirm that you have uploaded all supporting documentation files listed in this tab to the SFTP site by checking off the “Provided” boxes.

2. Complete the “**Financial Reconciliation” subtab** in the 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 total costs and your financial statements.

3. Enter your agency’s contact information in the “**Contact Information” subtab** of the Tool.

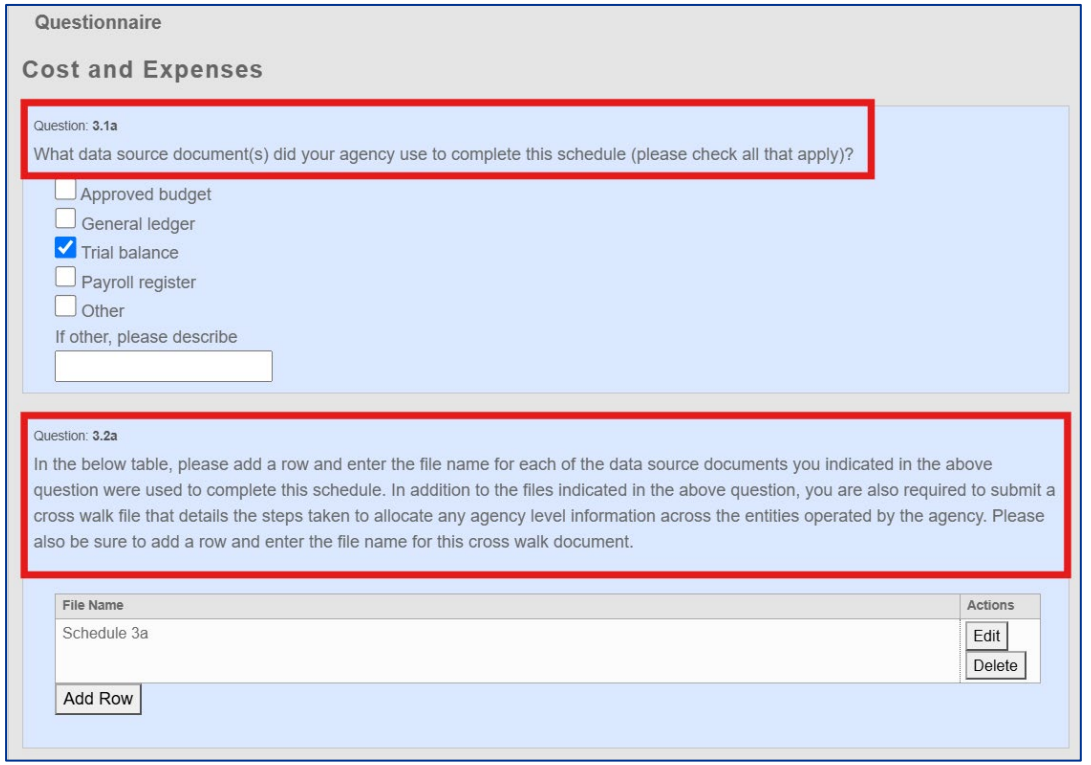
Reminder…

# Tasks to complete prior to audit procedures (continued)

## 1. Complete supporting documentation check

— As you are aware from completing the 2025 Cost Report, there are a series of questions within each cost report schedule that must be answered (Schedule-Specific Questionnaire). Two of these questions relate to supporting documentation:

1. The first question asks you to indicate the type of supporting documentation used to complete the particular schedule (check all that apply).
2. The second question asks you for the name of the supporting document(s) as well as the name of the specific file(s) that demonstrates the allocation methodology used for cost reporting.



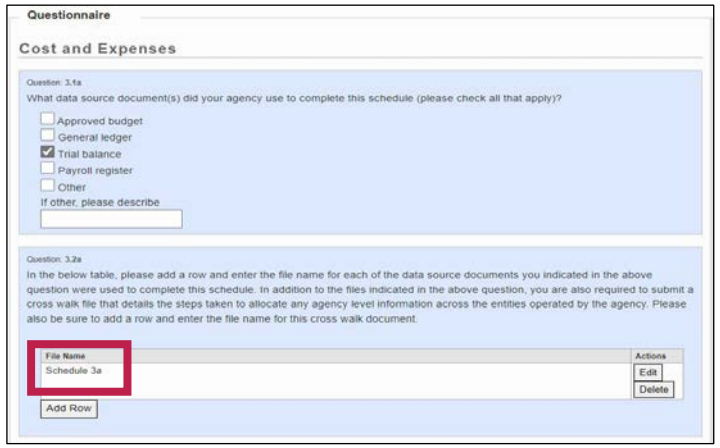
Reminder…

# Tasks to complete prior to audit procedures (continued)

## 1. Complete supporting documentation check (continued)

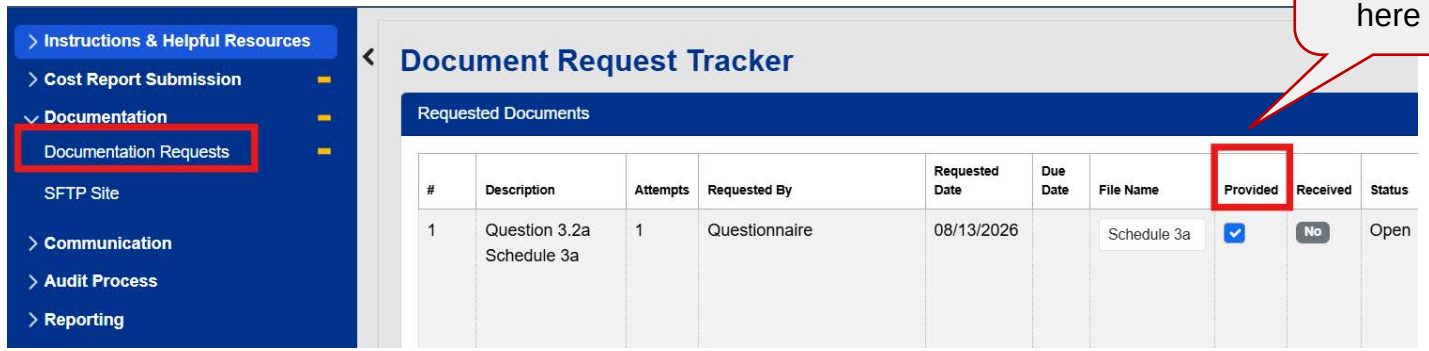
- The supporting documentation names that you enter will flow through to the **“Documentation Requests” subtab**.
  - This subtab was created to serve as the central location for listing all documents that will be submitted.
  - After your documents have been uploaded to the SFTP site, **please mark the checkbox in the “Provided” column next to each document name to indicate that the file has been uploaded**.
    - Note that this subtab should have been completed within seven calendar days of your cost report submissions (same timeframe as the requirement to upload all supporting documentation).

### “Cost Report Schedules” tab:




Document name entered in each Schedule tab flows into Document Request subtab

### “Documentation Requests” subtab:




Check “Provided” here

**Reminder…**

# Tasks to complete prior to audit procedures (continued)

## 2. Complete the “Financial Reconciliation” subtab

- If you have not done so already, please complete the **“Financial Reconciliation” subtab** of the Tool.
- The purpose of this subtab is to reconcile the total entity costs reported on Schedules 3 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 subtab, please review the instructions at the top of the “Financial Reconciliation” subtab, review the Cost Report Instructions, or listen to the pre-recording from the Home Care Cost Report Web-based Tool Walkthrough Module, which is available in the “Useful Links” section of the “Instructions & Helpful Resources” tab 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.

**“Financial Reconciliation” subtab:**

| Financial Statement Reconciliation | | | | | |
|---|---|---|---|---|---|
| Total expenses per CY 2025 Financial Documentation (Schedule 19, Row 015): | | | | Dollar Value | Supporting Documentation File Location |
| | | | | $0.00 | |
| Reconciling items included in Financial Documentation, but not in the data reported on Schedule 3: | | | | | |
| Item Number | Reconciling Item | Description of Reconciling Item | Supporting Documentation File Location | 2025 Dollar Value | Additional Comments |
| Reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation: | | | | | |
| Item Number | Reconciling Item | Description of Reconciling Item | Supporting Documentation File Location | 2025 Dollar Value | Additional Comments |
| Sum of reconciling items included in Financial Documentation, but not in the data reported on Schedule 3 | | | | $0.00 | |
| Sum of reconciling items included in the data reported on Schedule 3, but not in the Financial Documentation | | | | $0.00 | |
| Total expenses adjusted for reconciling items | | | | $0.00 | |
| Total entity costs per Schedule 3 of Cost Report Schedules tab | | | | $62,010,116.94 | |
| Unreconciled dollar value | | | | ($62,010,116.94) | |
| Unreconciled percentage | | | | 0.00 % | |

Reminder…

# Tasks to complete prior to audit procedures (continued)

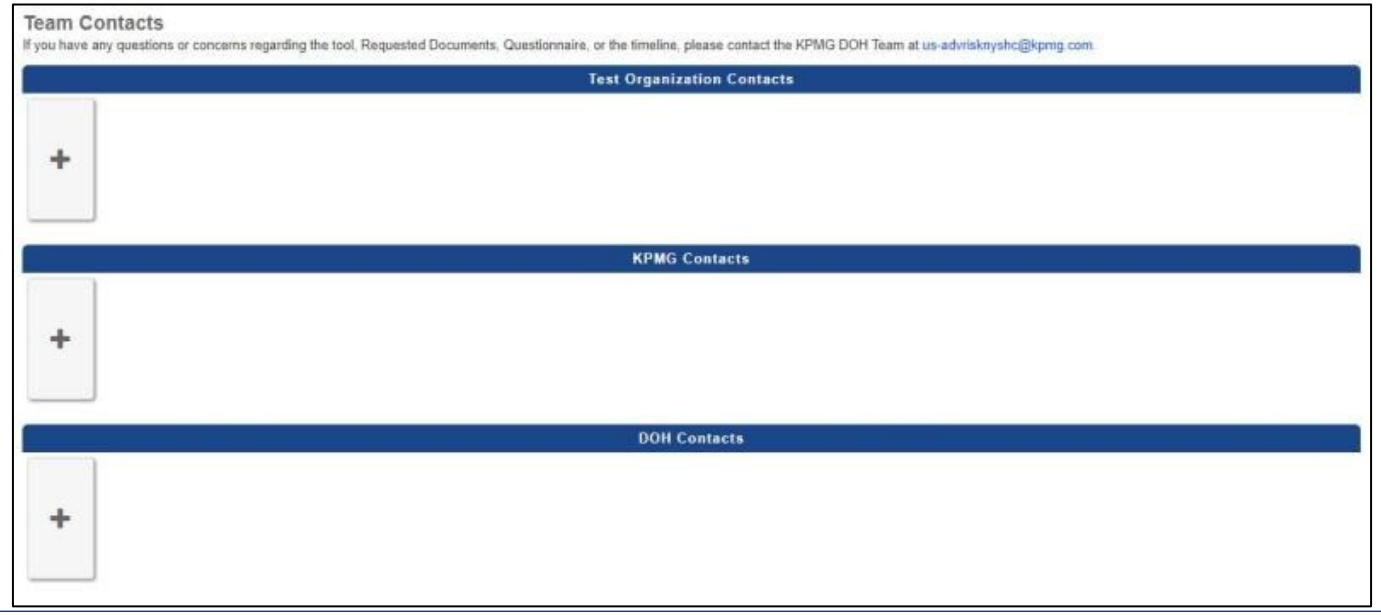
## 3. Enter contact information

— In the **“Contact Information” subtab** of the Web-based Tool, enter the contact information for all individuals responsible for making audit-related decisions and responding to inquiries.

  - These individuals may be the same people who are listed in the Reporting Hierarchy section, but please be sure to include all individuals from the agency who will be involved in the audit process.

— **Note:** The individuals entered in the “Contact Information” subtab 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. Additionally, the KPMG audit team will be listed in this tab as well.

**“Contact Information” subtab:**



# Communications

## Communication information

**Audit kickoff:**

- Upon commencement of the audit, you will receive an introduction communication from the audit team assigned to your agency.
- Once this communication is received, you will be able to reach out to the audit team with any questions about getting started with the process.

**Communication methods:**

- Once the audits begin, the majority of communications will be conducted within the Web-based Tool. However, we will continue to send email notifications and schedule calls as needed.
- Automated email notifications generated by the web-based Tool will be sent from postmaster@mail.certisphere.com. Agencies should monitor for emails from this address throughout the audit process.
- Specifically, communications between the agency and audit team will occur within the **"Audit/Questions" tab within each subtab or audit area listed below**. This tab comprises the following subtabs:

1. Documentation requests follow-up
2. General questionnaire follow-up
3. Financial statement follow-up
4. Direct care follow-up
5. Program administration follow-up
6. Service statistics follow-up
7. Medicaid Revenue follow-up
8. Field Audit Procedures (only used when applicable)
9. Limited, Alternative Procedures (only used when applicable)
10. Previous Findings Follow-up (only used when applicable)
11. Potential Findings (only used when applicable)
12. Minimum Wage Review Procedures (only used when applicable)
13. Adjusted Cost Report Reconciliation (only used when applicable)

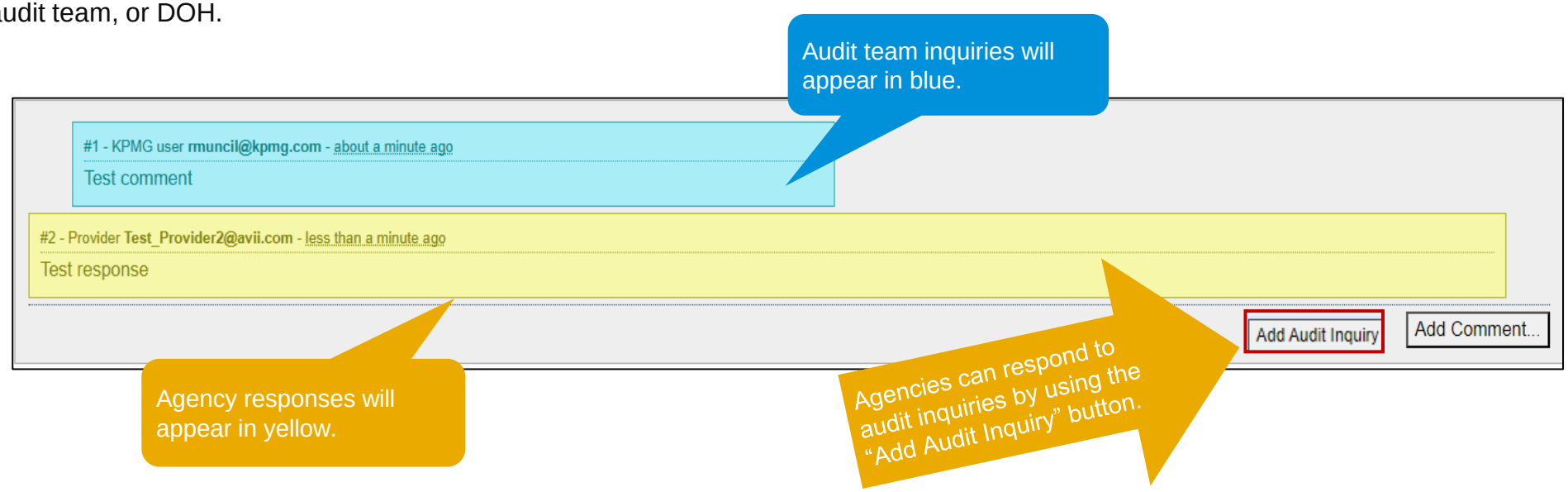
# Communications

## Communication information

### Communication methods:

— Communications are completed through posting comments within each subtab of the **“Audit/Questions” tab**, as shown in the example below.

— This creates an audit trail of agency-specific questions for each audit area and becomes an easy reference throughout the audit for the agency, audit team, or DOH.




**In the next section, we will walk through the subtabs that represent each each audit area where procedures are conducted to clarify when and why the audit team would post a follow-up question during the audit.**

# Engagement Milestones

## Provider Milestones

### Provider Milestones:

— The Engagement Milestones subtab provides agencies with a centralized view of key deadlines throughout the entire audit process, from initial submission through the Exit Dashboard at conclusion of the audit.

**Current Milestones**

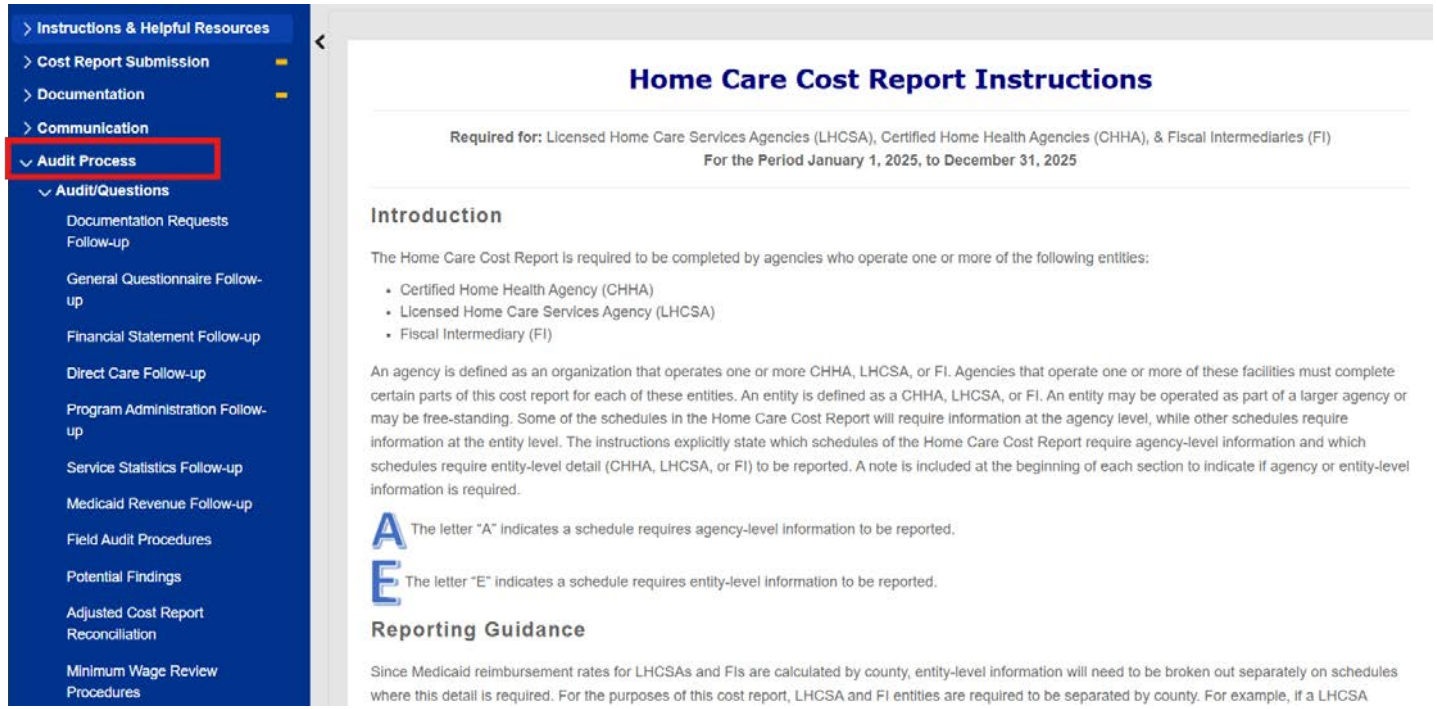
| Milestones | | | |
|---|---|---|---|
| Milestone | Tier | Due Date | Date Completed |
| Agency submitted Cost Report and Agency Representation and Cost Report attestation | 1 | 8/31/2026 | |
| Agency uploaded supporting documentation to the SFTP site | 1 | 9/8/2026 | |
| Audit Notification Package sent | 1 | 9/8/2026 | |
| Auditee Kickoff Webinar | 1 | 9/14/2026 | |
| Agency executed and submitted any necessary adjustments in the Adjusted Cost Report tab (only applicable to agencies that require adjustments) | 4 | 11/13/2026 | |
| Potential Findings tab has been made visible to the agency (“Visible to Provider” checkbox) and potential finding (PF) communication was sent (enter due date for PF responses in the “comments” column) | 5 | 12/15/2026 | 8/21/2026 |
| Agency Agreed/Disagreed to Potential Findings and Exit Dashboard is ready to be released | 5 | 12/18/2026 | |
| Agency submitted the Agency Audit Representation | 5 | 12/18/2026 | |
| PMO released Exit Dashboard to agency | 6 | 12/18/2026 | 8/26/2026 |
| Agency has provided sign-off and management response on Exit Dashboard | 6 | 12/28/2026 | |

# Web-based Tool: “Audit/Questions” tab

# “Audit/Questions” tab

## “Audit/Questions” tab

— There are **13 subtabs in the “Audit/Questions” tab** where audit procedures will be conducted by the audit team.

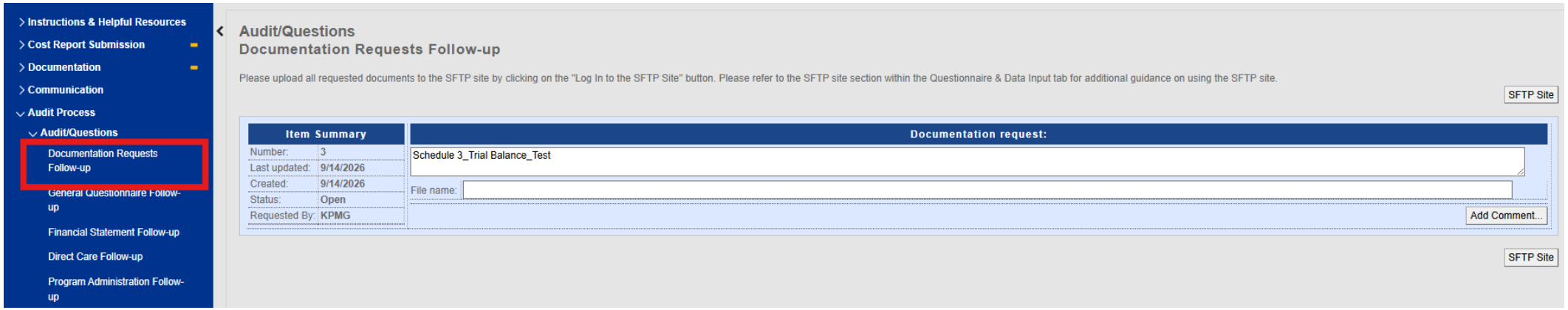


# 1. Documentation Requests Follow-up

## 1. “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 (3) business days once requested.



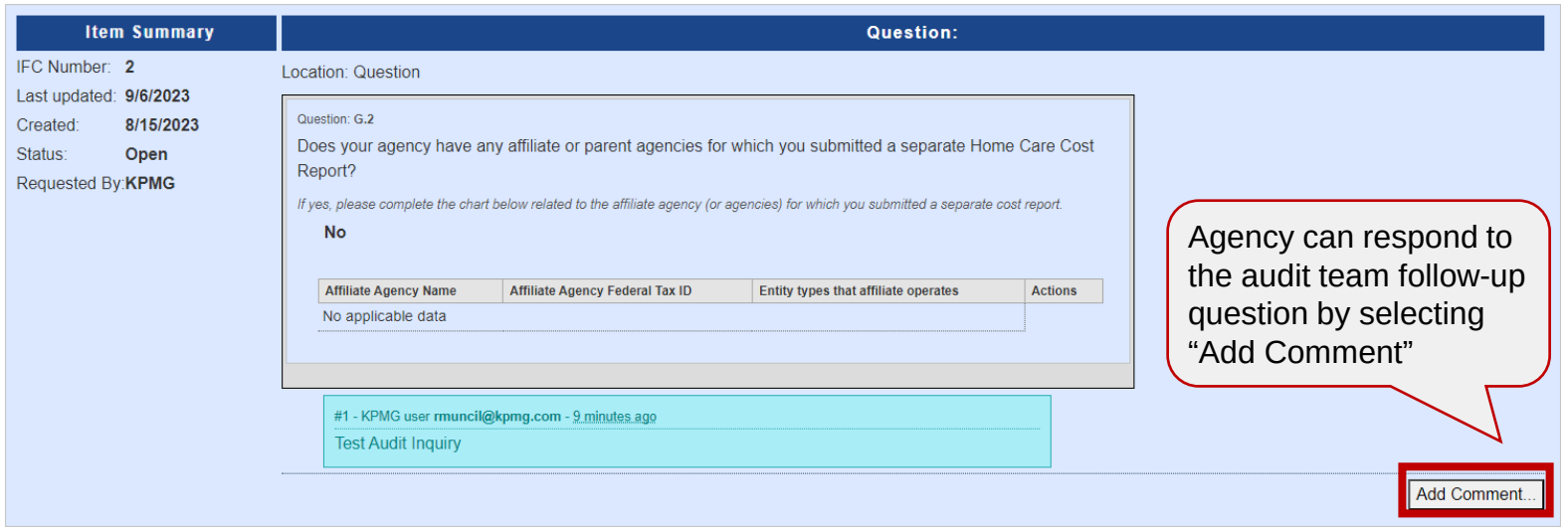
# 2. General Questionnaire Follow-up

## 2. “General Questionnaire Follow-up” subtab

### Background and purpose

- In the “General Questionnaire Follow-up” subtab, the audit team will review the responses provided in the “General Questionnaire” tab.
- Follow-up questions from audit teams will be related to the questions flagged in the “General Questionnaire Follow-up” subtab.
- Any audit inquiries related to General Questionnaire responses will be posted directly in the “General Questionnaire Follow-up” subtab as shown in the image below (blue comment box). Agencies can respond directly in the tab by adding a comment (as shown below).

**Example of an inquiry posted by the audit team in the “General Questionnaire Follow-up” Subtab:**



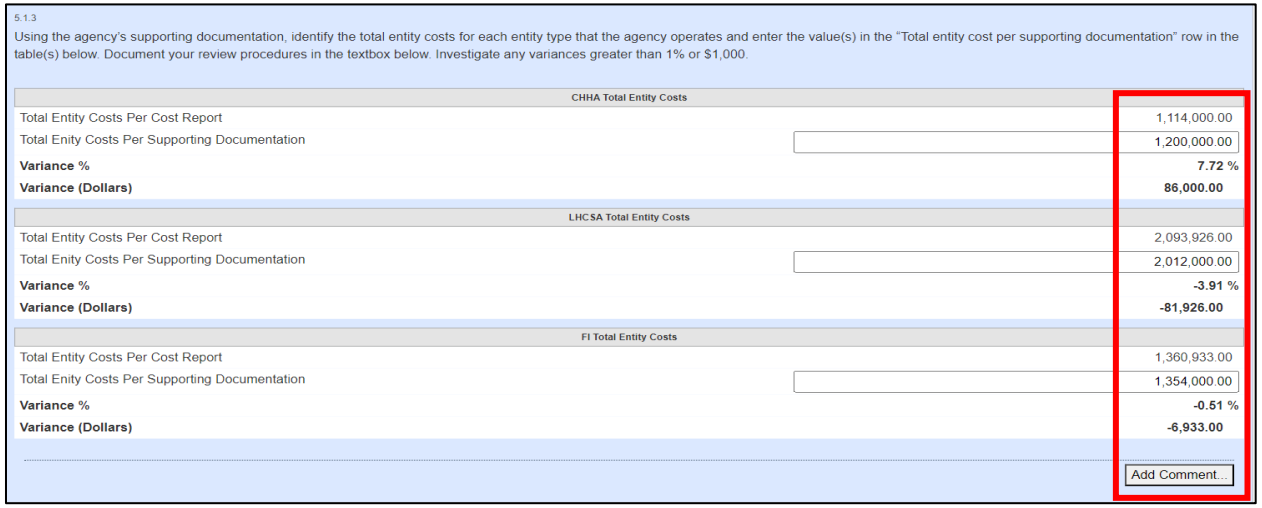
# 3. Financial Statement Follow-up

## 3. “Financial Statement Follow-up” subtab

### Background and purpose

- In the “Financial Statement Follow-up” subtab, the audit team will review the total costs reported on Schedule 3 (sum of Column 001, Total Entity Costs, for each entity type (CHHA, LHCSA, and/or FI)).
- Follow-up questions from audit teams may be related to the following:
  - Supporting documentation submitted (or lack thereof)
  - Discrepancies between the data reported in the cost report and information identified in the supporting documentation and/or the “Financial Reconciliation” tab
- Communication between the audit team will occur directly in the “Financial Statement Follow-up” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Schedule 3 Costs and Financial Statements requiring follow-up:**



5.1.3

Using the agency's supporting documentation, identify the total entity costs for each entity type that the agency operates and enter the value(s) in the "Total entity cost per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or $1,000.

| | | |
|---|---|---|
| **CHHA Total Entity Costs** | | |
| Total Entity Costs Per Cost Report | | 1,114,000.00 |
| Total Enity Costs Per Supporting Documentation | | 1,200,000.00 |
| **Variance %** | | **7.72 %** |
| **Variance (Dollars)** | | **86,000.00** |
| **LHCSA Total Entity Costs** | | |
| Total Entity Costs Per Cost Report | | 2,093,926.00 |
| Total Entity Costs Per Supporting Documentation | | 2,012,000.00 |
| **Variance %** | | **-3.91 %** |
| **Variance (Dollars)** | | **-81,926.00** |
| **FI Total Entity Costs** | | |
| Total Entity Costs Per Cost Report | | 1,360,933.00 |
| Total Enity Costs Per Supporting Documentation | | 1,354,000.00 |
| **Variance %** | | **-0.51 %** |
| **Variance (Dollars)** | | **-6,933.00** |

Add Comment...

# 4. Direct Care Follow-up

## 4. “Direct Care Follow-up” subtab

### Background and purpose

— In the “Direct Care Follow-up” subtab, the audit team will review the direct care costs reported in the following columns of Schedule 3 for each entity type (CHHA, LHCSA, and/or FI):
  - Column 006 – Program Aide (Direct Care)
  - Column 007 – Program RN Supervision/Assessment (Direct Care)
  - Column 008 – Program Staff Training
  - Column 009 – Transportation
  - Column 010 – Contracted Purchased Services
  - Column 011 – Other

— Follow-up questions from audit teams may be related to the following:
  - Supporting documentation submitted (or lack thereof)
  - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
  - Reimbursable nature of the information being reported

— Communication between the audit team will occur directly in the “Direct Care Follow-up” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Schedule 3 Costs and Supporting Documentation requiring follow-up:**

6.1.2

2 Using the agency’s Schedule 3 supporting documentation, identify the direct care Column 006 – 011 totals per the supporting documentation for each entity type that the agency operates, and enter the value(s) in the “Total costs per supporting documentation” row in the table(s) below. Investigate any variances greater than 3%.

| CHHA Direct Care Costs (Schedule 3a) | | | | | | |
|---|---|---|---|---|---|---|
| | Program Aide (Direct Care) | Program RN Supervision/ Assessment (Direct Care) | Program Staff Training | Transportation | Contracted Purchased Services | Other |
| Total Costs Per Cost Report | 607,000.00 | 0.00 | 115,000.00 | 140,000.00 | 0.00 | 0.00 |
| Total Costs Per Supporting Documentation | 590,000.00 | 0.00 | 98,000.00 | 125,000.00 | 0.00 | 0.00 |
| **Variance %** | **-2.80 %** | **0.00 %** | **-14.78 %** | **-10.71 %** | **0.00 %** | **0.00 %** |
| **Variance (Dollars)** | **-17,000.00** | **0.00** | **-17,000.00** | **-15,000.00** | **0.00** | **0.00** |

# 5. Program Administration Follow-up

## 5. “Program Administration Follow-up” subtab

### Background and purpose

— In the “Program Administration Follow-up” subtab, the audit team will review the program administration costs reported in Column 005 (Program Administration) of Schedule 3 and Column 001 (Program Administration) of Schedule 4, for each entity type (CHHA, LHCSA, and/or FI).

— Follow-up questions from audit teams may be related to the following:

- Supporting documentation submitted (or lack thereof)
- Discrepancies between the data reported in the cost report and information identified in the supporting documentation
- Reimbursable nature of the information being reported
- Alignment between Schedule 3 and Schedule 4 Program Administration columns

— Communication between the audit team will occur directly in the “Program Administration Follow-up” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Schedule 3 and 4 Costs and Supporting Documentation requiring follow-up:**

7.1.2

Using the agency’s supporting documentation, identify the total program administration cost value on Schedule 3 (Column 005) and Schedule 4 (Column 001) for each entity type that the agency operates, and enter the value(s) in the “Total costs per supporting documentation” row in the table(s) below. Investigate any variances greater than 1% or $1,000.

| CHHA Program Administration Costs | | | |
|---|---|---|---|
| | Program Administration (Schedule 3a) | Program Administration (Schedule 4a) | Variance between Schedule 3 and 4 Program Administration total |
| Total Costs Per Cost Report | 0.00 | 10.00 | -10.00 |
| Total Costs Per Supporting Documentation | 110 | 9 | 101.00 |
| **Variance %** | **100.00 %** | **-10.00 %** | |
| **Variance (Dollars)** | **110.00** | **-1.00** | |

# 6. Service Statistics Follow-up

## 6. “Service Statistics Follow-up” subtab

### Background and purpose

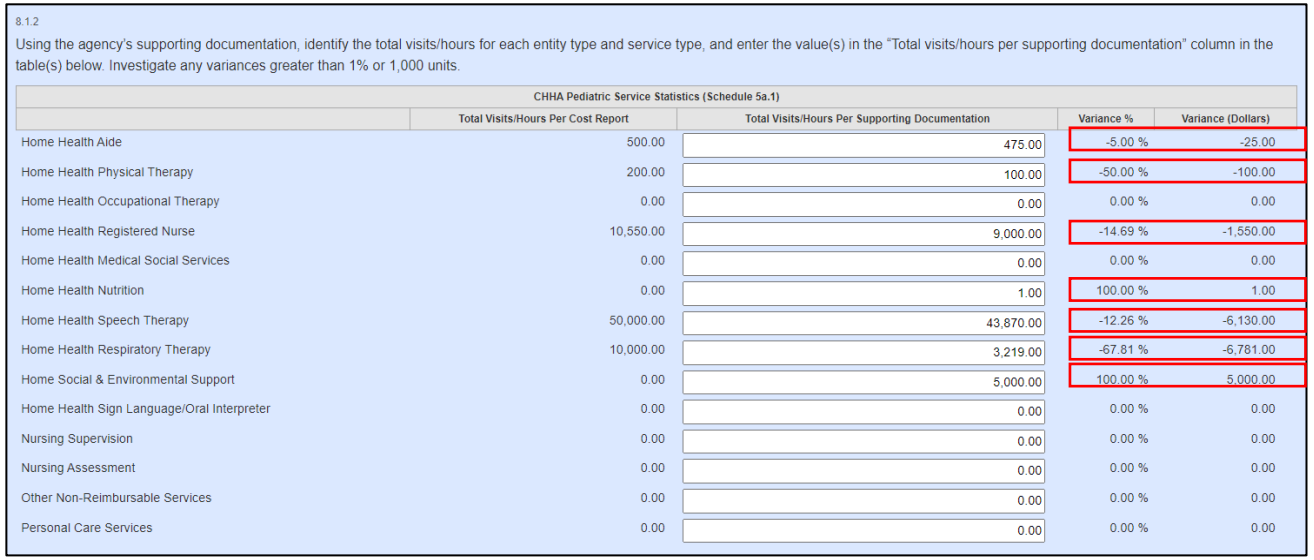
— In the “Service Statistics Follow-up” subtab, the audit team will review the service statistics reported in each service type row on Schedule 5, for each entity type (CHHA, LHCSA, and/or FI).

— Follow-up questions from audit teams may be related to the following:

- Supporting documentation submitted (or lack thereof)
- Discrepancies between the data reported in the cost report and information identified in the supporting documentation
- Reimbursable nature of the information being reported

— Communication between the audit team will occur directly in the “Service Statistics Follow-up” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Schedule 5 Statistics and Supporting Documentation requiring follow-up:**



8.1.2

Using the agency's supporting documentation, identify the total visits/hours for each entity type and service type, and enter the value(s) in the "Total visits/hours per supporting documentation" column in the table(s) below. Investigate any variances greater than 1% or 1,000 units.

CHHA Pediatric Service Statistics (Schedule 5a.1)

| | Total Visits/Hours Per Cost Report | Total Visits/Hours Per Supporting Documentation | Variance % | Variance (Dollars) |
|---|---|---|---|---|
| Home Health Aide | 500.00 | 475.00 | -5.00 % | -25.00 |
| Home Health Physical Therapy | 200.00 | 100.00 | -50.00 % | -100.00 |
| Home Health Occupational Therapy | 0.00 | 0.00 | 0.00 % | 0.00 |
| Home Health Registered Nurse | 10,550.00 | 9,000.00 | -14.69 % | -1,550.00 |
| Home Health Medical Social Services | 0.00 | 0.00 | 0.00 % | 0.00 |
| Home Health Nutrition | 0.00 | 1.00 | 100.00 % | 1.00 |
| Home Health Speech Therapy | 50,000.00 | 43,870.00 | -12.26 % | -6,130.00 |
| Home Health Respiratory Therapy | 10,000.00 | 3,219.00 | -67.81 % | -6,781.00 |
| Home Social & Environmental Support | 0.00 | 5,000.00 | 100.00 % | 5,000.00 |
| Home Health Sign Language/Oral Interpreter | 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 |
| Other Non-Reimbursable Services | 0.00 | 0.00 | 0.00 % | 0.00 |
| Personal Care Services | 0.00 | 0.00 | 0.00 % | 0.00 |

# 7. Medicaid Revenue Follow-up

## 7. “Medicaid Revenue Follow-up” subtab

### Background and purpose

- In the “Medicaid Revenue Follow-up” subtab, the audit team will review the Medicaid Revenue reported for Fee For Service (FFS) and Managed care (MC) on Schedule 19.
- Follow-up questions from audit teams may be related to the following:
  - Supporting documentation submitted (or lack thereof)
  - Discrepancies between the data reported in the cost report and information identified in the supporting documentation
- Communication between the audit team will occur directly in the “Medicaid Revenue Follow-up” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Schedule 19 Revenue and Supporting Documentation requiring follow-up:**

9.1.2

Using the agency's supporting documentation, identify the total Medicaid Managed Care and/or Medicaid Fee-for-service revenue amounts, and enter the value(s) in the "Total revenue per supporting documentation" row in the table(s) below. Document your review procedures in the textbox below. Investigate any variances greater than 1% or $1,000.

| | Medicaid Revenue (Schedule 19) | | |
|---|---|---|---|
| | Medicaid Fee-for-Service Revenue | Medicaid Managed Care Revenue | Total Medicaid Revenue |
| Total Revenue per Cost Report | 1,000,000.00 | 5,000,000.00 | 6,000,000.00 |
| Total Revenue Per Supporting Documentation | 900,000.00 | 4,900,000.00 | 5,432,909.00 |
| **Variance %** | **-10.00 %** | **-2.00 %** | **-9.45 %** |
| **Variance (Dollars)** | **-100,000.00** | **-100,000.00** | **-567,091.00** |

Add Comment...

# 8. Field Audit Procedures

## 8. “Field Audit Procedures” subtab

### Background and purpose

— In the “Field Audit Procedures” subtab, the audit team will review the sample support provided by the agency for information on reported on Schedules 3, 4 and 5.

— Follow-up questions from audit teams may be related to the following:

- Supporting documentation submitted (or lack thereof)
- Discrepancies between the supporting documentation and the sample support

— Communication between the audit team will occur directly in the “Field Audit Procedures” subtab (blue and yellow communication boxes as shown previously).

**Example of discrepancy identified between Administrative Expenses and Sample Supporting requiring follow-up:**

Field Audit Sample Request

| Category | Sample Number | Sample Selection File Name Reference | Sample Selection Excel Row | Receipt | Pass | Sampling Comments |
|---|---|---|---|---|---|---|
| Administrative "A&G" expenses (row 012 on Schedule 4) | 1 | test | test | No | No | test |
| Administrative "A&G" expenses (row 012 on Schedule 4) | 2 | test | test | | | |
| Administrative "A&G" expenses (row 012 on Schedule 4) | 3 | test | test | | | |
| Administrative Capital expenses (rows 002-003 or 005-007 on Schedule 4) | 4 | test | test | | | |
| Service Statistics Patient visits | 5 | test | test | | | |
| Service Statistics Patient visits | 6 | test | test | | | |
| Service Statistics Patient visits | 7 | test | test | | | |

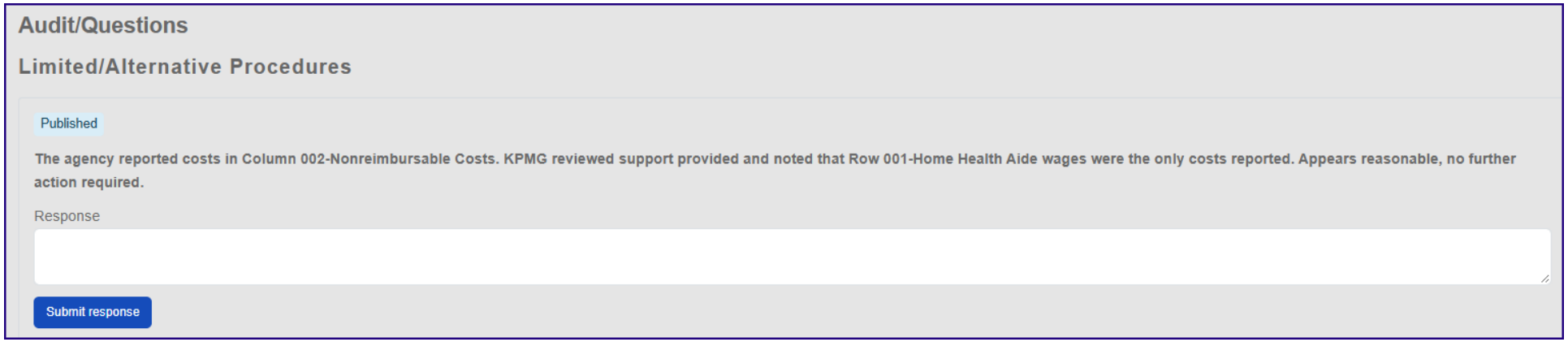
# 9. Limited, Alternative Procedures

## 9. “Limited, Alternative Procedures” subtab

### Background and purpose:

— If the audit team determines that the agency provided insufficient supporting documentation and regular audit procedures cannot be conducted as described in the previous slides, a scope limitation will be noted and limited audit procedures will be conducted as an alternative on the agency’s cost report submission. These procedures include a review of the “Cost report schedules” and “General Questionnaire” tabs to identify any potential reporting errors that do not rely on supporting documentation. The goal is to help the agency increase their reporting compliance in the current and subsequent reporting years.

**Example of Limited Alternative Procedures:**



# 10. Previous Findings Follow-up

## 10. Previous Findings Follow-up

### Background and purpose

— In the “Previous Findings Follow-Up” subtab, the audit team will perform a review of past cost report audit findings for agencies that were audited in 2019, 2020, 2021, 2022, 2023 or 2024 cost report years.

— Follow-up questions from audit teams may be related to the following:

- Whether a previous finding is still applicable
- Whether issues identified during past audits have been addressed and corrected or are in the process of being corrected

### Example of a previous finding follow-up:

| Finding | Subfinding | Location |
|---|---|---|
| 1. Insufficient Supporting Documentation: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. According to Public Health Law §3612(8) and Social Services Law §365-f(4-a), “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.” As a result, the audit team cannot conclude on the reasonableness or accuracy of the information submitted in the Home Care Cost Report. Although audit procedures could not be completed, if applicable, the KPMG audit team noted any specific findings that could be identified based on information provided to help the agency make improvements on future audits. | a. Agency did not submit supporting documentation to substantiate the information reported in the Home Care Cost Report within a reasonable timeframe to conduct audit procedures. A scope limitation has been noted. Although audit procedures could not be completed due to the lack of supporting documentation, if applicable, the KPMG audit team noted any specific findings that could be identified based on information provided to help the agency make improvements on future audit. | Financial Statement Follow-up |

# Cost Report adjustments

## Adjustments

**As a result of the audit procedures conducted in each of the subtabs within the "Audit/Questions" tab, the audit team may identify error(s) that require adjustment(s) to correct the cost report.**

— Adjustments will be handled in one of the following two ways:

1. **Complex, multicell and/or multischedule adjustments**
    - 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, the audit team will send a detailed adjustment communication to the agency outlining the adjustments to be made. The audit team will also set up a conference 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" subtab of the Tool.** Agencies will have six (6) business days upon receipt of the adjustment request to submit the requested adjustments in the Tool.
2. **Minor adjustments**
    - If review procedures are conducted and it is determined that a small adjustment is necessary, the audit team may make the adjustment directly in the Tool, with the agency's approval.

— **If adjustments are made during the audit process, the adjusted cost report data will be used for rate setting, not the original data.**

# 11.Potential Findings

## 11.“Potential Findings” subtab

**Overview:**

- Any potential findings, subfindings, and PIOs identified by the audit teams will be listed in the “Potential Findings” subtab.
  - Audit **findings** are the result of issues identified during audit procedures, such as:
    - Insufficient supporting documentation
    - Misreporting of reimbursable versus non-reimbursable costs
    - Discrepancies between supporting documentation and the data reported on the cost report
  - Each finding has a corresponding **subfinding** that provides a greater level of detail.
  - **New this year**: Findings that are expected to have a rate-setting impact are identified within the finding description.
  - **PIOs** 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-reimbursable costs were reported as reimbursable costs), whenever possible.
  - This will allow audit teams and agencies to both fully understand the issue so appropriate adjustment(s) may be made, if necessary.
  - NOTE: Findings may be qualitative if the audit team is unable to quantify the issue with the supporting documentation provided.

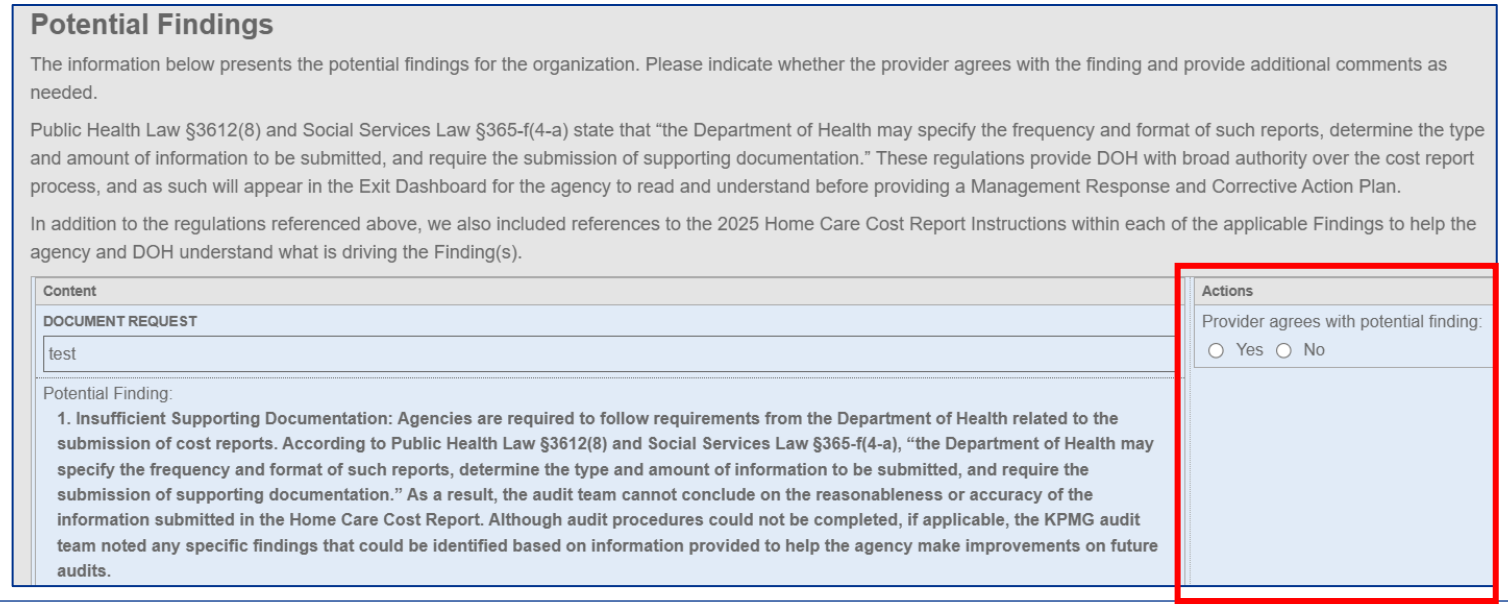
# 11.Potential Findings (continued)

## 11.“Potential Findings” subtab

**Next steps:**

- The agencies will have to complete the following tasks within three (3) business days from the date the Potential Finding communication was sent:
  - Review the “Potential Findings” subtab and respond “Yes” or “No” as to whether you agree or disagree with the finding(s). We will reach out to discuss any “No” responses to better understand the disagreement. Once all findings are finalized, your agency will have an opportunity to provide a management response within the Exit Dashboard. We will follow up with additional guidance on this final step once the findings have been confirmed and finalized.
  - The agency will need to review the “Agency’s Audit Representation “ subtab within the Tool and provide their sign-off indicating whether they agree or disagree with the assertations listed. They will need to select the “Submit” button when this task is complete.

**“Potential Findings” Subtab:**



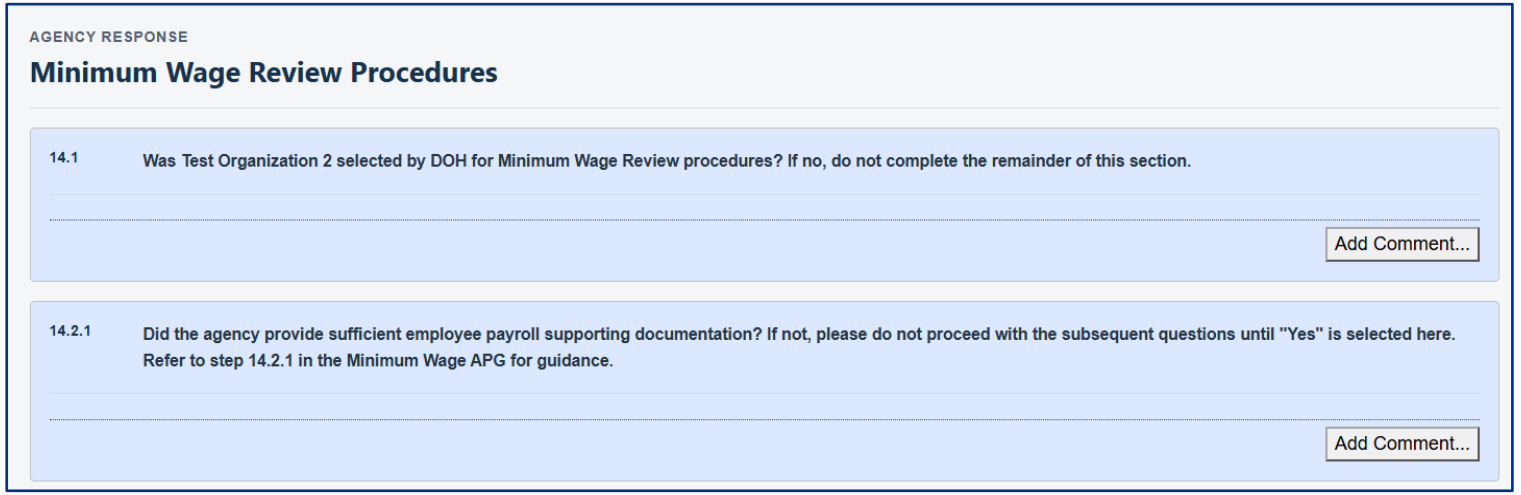
# 12.Minimum Wage Review Procedures

## 12.“Minimum Wage Review Procedures” subtab

### Background and purpose

- In the “Minimum Wage Review Procedures” subtab, the audit team will perform review procedures for agencies selected by DOH for a Minimum Wage Review.
- The audit team’s review may include the following:
  - Payroll supporting documentation provided by the agency, including payroll registers and bank statements
  - Reconciliation of payroll supporting documentation to Schedules 11 and 12
  - The agency’s Minimum Wage Law Certification and Schedule 20 questionnaire
  - Selection of employees samples and review of supporting documentation to determine whether sampled employees were paid in accordance with minimum wage requirements.
- Communication between the audit team will occur directly in the “Minimum Wage Review Procedures” subtab (blue and yellow communication boxes as shown previously).

**“Minimum Wage Review Procedures” Subtab:**

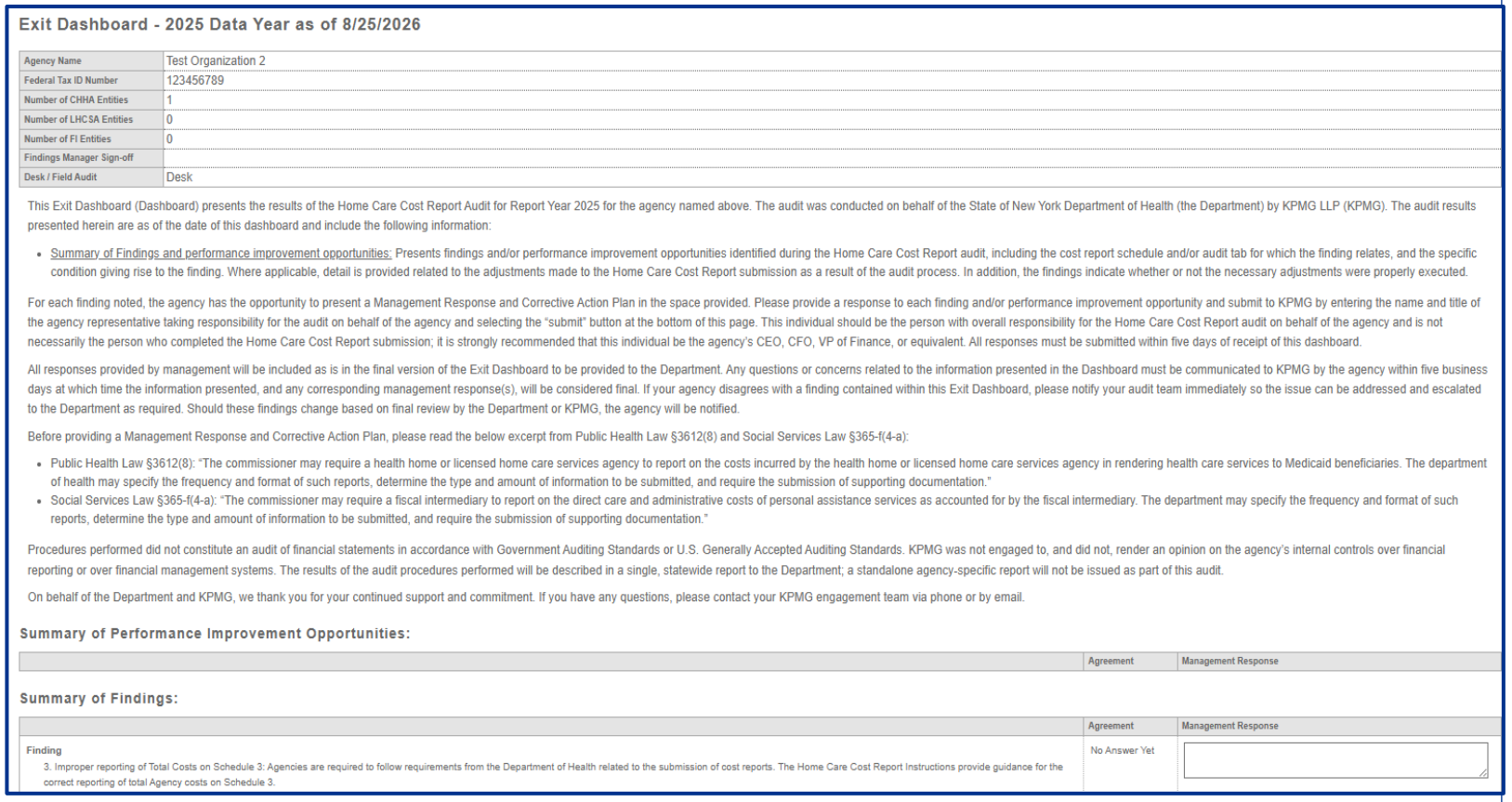


# Exit Dashboard

## Exit Dashboard

- The Exit Dashboard lists all findings, subfindings, and PIOs noted throughout the Audit, along with a detailed description.
- Agencies will be given five (5) 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, the final Exit Dashboard will be provided to DOH without a management response.
  - The goal is to have all audit 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" subtab** during the audit procedures and not during the Exit Dashboard process.

**"Exit Dashboard" tab:**



**Exit Dashboard - 2025 Data Year as of 8/25/2026**

| | |
|---|---|
| Agency Name | Test Organization 2 |
| Federal Tax ID Number | 123456789 |
| Number of CHHA Entities | 1 |
| Number of LHCSA Entities | 0 |
| Number of FI Entities | 0 |
| Findings Manager Sign-off | |
| Desk / Field Audit | Desk |

This Exit Dashboard (Dashboard) presents the results of the Home Care Cost Report Audit for Report Year 2025 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 performance improvement opportunities: Presents findings and/or performance improvement opportunities 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 performance improvement opportunity 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(8) and Social Services Law §365-f(4-a):

- Public Health Law §3612(8): "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-f(4-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 Performance Improvement Opportunities:**

| | Agreement | Management Response |
|---|---|---|

**Summary of Findings:**

| | Agreement | Management Response |
|---|---|---|
| Finding<br>3. Improper reporting of Total Costs on Schedule 3: Agencies are required to follow requirements from the Department of Health related to the submission of cost reports. The Home Care Cost Report Instructions provide guidance for the correct reporting of total Agency costs on Schedule 3. | No Answer Yet | |

# What if I am selected for field audit procedures?

# Field audit procedures

- A portion of the agencies undergoing standard 2025 desk audit procedures will be selected by DOH for additional "field" audit procedures.
  - If your agency used the DOH-approved supporting documentation template, you will not be subject to field audit procedures in 2025.
- 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 the audit team for review.
  - Note that "field audit" does not imply that we will be physically going to the agency site. We expect all field audit procedures to continue to be performed remotely for the 2025 cost report year.
- If your agency is selected for field audit procedures, you will also be notified about the next steps and additional support required to make make testing selections
  - Note that agencies will have five (5) business days after receiving this communication to upload the initial requested documentation to the SFTP site.

# Field audit procedures (continued)

- Field audit procedures will be conducted for **administrative expenses (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) from the Trial Balance for the expense accounts that were categorized as “Administration and General” in row 012 of Schedule 4.
  2. Transaction detail (general ledger detail) for the two capital cost rows (rows 002-003 or 005-007) on Schedule 4, with the largest dollar values reported (greater than $50,000).
  3. Patient level statistical data reports that were used to complete Schedule 5.

- We encourage all 2025 auditees to begin compiling this documentation so they are prepared if they are selected for 2025 field audit procedures. Audit teams will notify selected agencies and request the initial documentation needed for Field Audit procedures by Wednesday, September 16. Agencies should provide the requested information by Wednesday, September 23.

# What if I am selected for minimum wage audit procedures?

# Minimum Wage audit procedures

- A portion of the agencies undergoing standard 2025 desk audit procedures will be selected by DOH for additional “minimum wage” audit procedures.

- Minimum Wage Review Procedures are separate from the standard Home Care audit procedures and will be completed in addition to the standard audit procedures for selected agencies. The purpose of these procedures is to review and test whether the agency is paying minimum wage in compliance with Public Health Law § 3614f. Under the law, the Department is authorized to request wage and payroll information for home care aides, including supporting documentation to verify the information submitted.

- If your agency is selected for Minimum Wage Review Procedures, you will be notified by your assigned audit team and provided with information regarding next steps and the initial supporting documentation required to begin testing and make sample selections. Selected agencies will also be required to respond to questions in the “Minimum Wage Review Procedures” subtab.
  - Note that agencies will have five (5) business days after receiving this communication to upload the initial requested documentation to the SFTP site.

# Minimum Wage audit procedures (continued)

- Minimum Wage Compliance Review procedures will be conducted using agency-provided payroll documentation and Schedule 20 submissions made through the 2025 Home Care Cost Report.

- If your agency is selected for a Minimum Wage Compliance Review, you will be asked to provide initial supporting documentation for each applicable entity type (e.g., CHHA, LHCSA, and/or FI), including:
  1. A system-generated payroll register for the last pay date in March, June, September, and December 2025, including the requested employee wage, hour, job type, entity type, and location information.
  2. Bank statements showing the payroll payments made to employees for the final pay date in March, June, September, and December 2025.
  3. After the initial documentation is reviewed, the audit team will select employee samples for additional testing (not to exceed 30 samples).
  4. For selected employee samples, agencies will be asked to provide applicable timecards showing the hours worked for the specified pay period and complete certain sample information within the “Minimum Wage Review Procedures” subtab.

- We encourage agencies selected for a Minimum Wage Compliance Review to provide the requested documentation within the applicable deadlines to help facilitate timely completion of the review. Audit teams will notify selected agencies and request the initial documentation needed for Minimum Wage Review procedures by Wednesday, September 16. Agencies should provide the requested information by Wednesday, September 23.

# Next steps

# Next steps

## Next steps

1. If you have not already received this, be on the lookout for an Audit Notification Package from us-advrisknyshc@kpmg.com (only sent to agencies selected for audit).
   - Once all Audit Notification Packages have been distributed, a message will be sent to all providers indicating that all auditees have been notified.
2. Complete the supporting documentation check within the “Documentation Requests” subtab of the Web-based Tool.
3. If not already done, complete the “Financial Reconciliation” subtab of the Web-based Tool.
4. Enter the following contact information in the “Contact Information” subtab of the Tool for each individual involved in the 2025 audit:
   - Individual’s first and last name
   - Title
   - Phone number
   - Email
5. Please be on the lookout for an introduction communication from your assigned audit team.
6. Please be on the lookout for an email confirming whether your agency has been selected for **field** audit procedures over the next week and prepare the additional files accordingly.
7. Please be on the lookout for an email confirming whether your agency has been selected for **minimum wage** audit procedures over the next week and prepare the additional files accordingly.
8. Respond to inquiries from the audit team throughout the duration of the audit.
9. Send any general questions related to the audit to 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.
10. **Final Note:** Providers supporting more than one audit should inform their assigned audit team to help coordinate efforts and streamline communication.

# Q&A

# Thank you

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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