

**NEW YORK**  
*state department of*  
**HEALTH**

Howard A. Zucker, M.D., J.D.  
Acting Commissioner of Health

Sue Kelly  
Executive Deputy Commissioner

May 22, 2014

Re: 2013 RHCF-4 Software

Dear Administrator:

In accordance with Part 86-2.2 of the Commissioner's Administrative Rules and Regulations, all nursing facilities must complete and file annual financial and statistical reports (i.e., Cost Reports) provided by the Department of Health ("the Department"). The 2013 RHCF-4 Cost Report software is now available through the Internet-based Health Commerce System (HCS). Individuals that have an HCS user account have the ability to download the RHCF-4 Cost Report software from the HCS.

To continue our efforts in assisting facilities in meeting the annual cost report submission deadlines, the Department is again allowing more than 60 days for the submission of the cost report. Please be advised that the 2013 RHCF-4 Cost Report and independent accountant and operator certifications must be filed with the Department no later than **August 15, 2014**. Please note that the due date for the submission of the report **and** the required certifications is the same date, or **August 15, 2014**.

**Please be further advised that the Department will not accept requests to extend the established due date, and facilities that fail to meet the August 16, 2014 due date may be subject to the penalties imposed by Section 86-2.2 of the New York Codes Rules and Regulations (NYCRR).** The imposition of such penalties would result in the reduction of a facility's current nursing home Medicaid rate by two percent beginning on the first day of the calendar month following the original due date of the report and continuing until the last day of the calendar month in which the report is properly filed.

Facilities are reminded that Section 2808(11) of the New York State Public Health Law provides the Department will only review operating rate appeals for the correction of computational errors or omissions of data by the Department in determining the operating rate based upon information submitted to the Department prior to the computation of the rate and that the Department will not consider any revisions made to a facility's annual cost report for operating adjustment purposes later than the due date established by the Commissioner.

## **CPA AND OPERATOR ELECTRONIC CERTIFICATIONS**

The Standard Certification forms presented as part of the 2013 RHCF Cost Report have been updated for clarity and to recognize the requirements of the Statement on Auditing Standards number 119. The 2013 RHCF-4 Cost Report software will present the following Standard Certification options to the certifying Certified Public Accountant (CPA).

- 1) The Standard Certification applicable to a facility that requires consolidated reporting.
- 2) The Standard Certification applicable to a facility that requires consolidated reporting which includes an additional paragraph directing the reader to an "accountant's notepad"

**The Standard Certifications described above cannot be altered.** Please note that access to the accountant's notepad will be restricted to the CPA certifying the facility's report.

In an effort to expedite the submission and processing of Cost Reports, the Department has **an electronic signature process for the submission of the CPA's and Operator's certifications.** Two applications for implementing this process are now available on the Division of Financing and Rate Setting page of the HCS and are required to successfully complete and submit the 2013 Cost Report. To certify the Cost Report electronically, the facility's CPA and the appropriate signatory of the nursing facility as required in Part 86-2.6 must have an HCS account. The Nursing Facility's HCS Coordinator can provide HCS access to appropriate individuals. Individuals with HCS access should refer to **Attachment 1 - Electronic Certification Access Instructions** and the attached **Electronic Certification Access Request Form**. If your facility needs to grant HCS access to individuals to complete the electronic certification process, please see **Attachment 1**.

**Please be further advised that a facility must have their respective operator and/or CPA certifiers in place, for cost report filing by August 11<sup>th</sup>, 2014 to ensure a smooth cost report certification process. Requests will not be honored after this date due to time constraints. This will result in the Cost Report being considered late and subject the facility to late penalties. Please take the release of this DAL to review the filing status of your operator and/or CPA.**

The operator's and CPA's electronic certifications must be submitted no later than **August 15, 2014**. If a facility files multiple reports, certifications are only required for the report deemed to be the facility's "Final" report. The operator's certification must be submitted in accordance with the provisions of Part 86-2.6 of the Commissioner's Administrative Rules and Regulations.

## **INSTRUCTIONS AND COMMENTS**

The instructions for the RHCF-4 Cost Report will be included in the software and can be located within the nursing home cost report. Comments related to the instructions or suggestions to improve next year's software can be submitted in writing to the Bureau of Vital Access Provider Reimbursement email log at BVAPR @health.state.ny.us with RHCF Instructions/Suggestions in the subject line.

The 2013 software is a Windows-based program. Selected sections of the RHCF-4 can be found on the menu bar by selecting "Tables" and following the appropriate windows to retrieve the desired section of the report.

### **NON-MEDICAID PROVIDERS AND NEW FACILITIES AND/OR NEW OPERATORS**

**With Department approval, non-Medicaid providers and new facilities and/or new operators who will file a 12-month Cost Report pursuant to Part 86-2.2 (e), may file only the Prefatory Data and Part 1 sections of the RHCF-4 (i.e., an RHCF-1 Report). The software can be modified from an RHCF-4 to an RHCF-1 by selecting "configure" on the menu bar. If your facility is filing the RHCF-1 Report, please include an explanation of why your facility is filing the RHCF-1 Report in the General Notepad. Also, please send an email to [BVAPR@health.state.ny.us](mailto:BVAPR@health.state.ny.us) informing the Department of the change in ownership. The email should include the date of the change of ownership and any other pertinent information necessary to process the change. In the subject line include the "facility name" and "change of operator" so that it is directed to the proper reviewer. Also, the new operator should be sure to update any necessary HCS access in order to certify their Part I in a timely manner.**

### **ELECTRONIC ACKNOWLEDGEMENT OF COST REPORT SUBMISSIONS AND STEPDOWN CALCULATION**

The Department will continue to electronically acknowledge the filing of cost reports. The acknowledgement will include a condensed stepdown calculation. The condensed stepdown calculation will total the costs stepped down into the Program Service areas. Those total costs must be compared to the total reflected in Exhibit H which is located below the stepdown total. Please be advised that Cost Reports with a discrepancy between these two total costs of more than \$15 will be rejected. Note: If your report has been rejected, it may be due to an incorrect statistic provided in Exhibit J or K.

### **PART III - RELATED COMPANY FINANCIAL REPORT**

Proprietary and voluntary facilities are required to complete Part III of the Cost Report if there is a related entity with which the facility has conducted direct business transactions. Voluntary facilities with a "foundation" or other separately established entity, which conducts direct business transactions with the facility, raises money in the facility's name, or affects the facility's cost of doing business must file Part III. **Please note that any facility filing Part III with its annual Cost Report must also file with the Department an electric copy (PDF) of the related company's Certified Financial Statements. The financial statements must be filed no later than August 15, 2014. Please submit the electronic copy to [BVAPR@health.state.ny.us](mailto:BVAPR@health.state.ny.us) and be advised that paper copies will not be accepted. Failure to submit an electronic copy will result in an incomplete Cost Report submission.**

## CHANGES TO THE 2013 RHCF-4 SOFTWARE:

### PART II – SCHEDULE 10B

This schedule has been added for an information gathering tool. It can possibly be used for certain Department initiatives in the futures. It request information such as age of facility, date opened, improvements, and estimated operational useful life.

### PART II – SCHEDULE 17

Line 1(a) - Please report, if the debt instrument is secured through an unrelated third party. If (Yes), please provide the documentation to the department.

### PART IV – SCHEDULE O – ALLOCATION OF PURCHASED OR CONTRACTED SERVICES (QUALITY MEASURES)

Page (1) - Schedule has been revised to capture hours reported for Registered Nurses, Licensed Practical Nurses and Aides Orderlies & Assistants. The data from this schedule is being utilized for Quality Measures.

Page (2) - Report Number of Per Diem Contracted employees at the end of the respective dates in the Column Headings listed. The data from this schedule is being utilized for Quality Measures.

### PART IV – SCHEDULE Q – FACILITY REPORTED CAPITAL

Instructions have been added to Schedule Q this year. Please be advised that this schedule is for reference purposes only.

### RHCF-4 DATA SECURITY

As in the past, the Declaration Control Number (DCN) will appear on the computer screen and each page of the printed pages of the Report. **Any change to any screen or schedule in the database will cause the DCN to be erased** and another DCN will not be generated until the revised data has been determined to be "clean" by the software-editing program. If a facility makes revisions that result in multiple report submissions, operator and CPA electronic certifications should only be submitted for the final DCN report determined as "correct" by the facility. If multiple report submissions are certified by both the operator and CPA, the Department will deem the last certified report filed for the facility as the final "correct" DCN report submission.

### FILING THE REPORT

The last day for filing the complete 2013 RHCF-4 **and** the required certifications will be August 15, 2014. **No extensions to file after that date will be granted. Reports filed after that date may trigger the imposition of penalties imposed under Part 86-2.2 (c) and Section 12-d of the Public Health Law and the 2015 Medicaid rate provided to your facility will not contain a capital component.**

Upon submission of a properly transmitted Cost Report to the Department, the submitting facility will immediately receive an electronic message stating the file was successfully filed with the Department. Approximately two hours after submission of the RHCF-4 Cost Report, a condensed stepdown report will be sent to the e-mail address of the individual user listed on the HCS network that submitted the Cost Report. This procedure will occur each time the facility files a Report with a different DCN. Reports with the same DCN will be rejected after the first Report is accepted. A Cost Report is deemed transmitted when the condensed stepdown indicates the stepdown is accepted or received. If the stepdown is rejected, the Report is not properly filed and is not an acceptable Report. Please note that if the individual user's e-mail address is incorrect on the HCS, this modified stepdown cannot be delivered and will be rejected by the electronic delivery system.

Please be advised that any of the following circumstances will render a submitted Cost Report incomplete, inaccurate or incorrect.

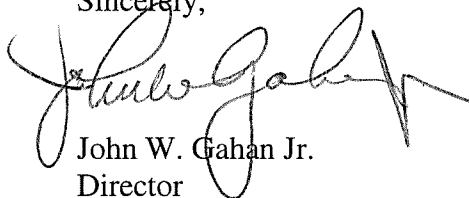
- A rejected stepdown.
- The certification of the operator has not been received.
- The CPA certification has not been received.
- Notes to the facility's financial statements were not included in the electronic Cost Report filed by your facility.
- Electronic copies of certified financial statements from a related company have not been received.

**A Cost Report is not deemed to be complete and properly filed, and thus eligible to be used by the Department to determine reimbursement rates, until ALL required information is received by the Department. The required information includes electronic certifications from the CPA and Operator, financial statement notes and, if applicable, the submission of, and receipt by, the Department of paper copies of related company financial statements.**

### **QUESTIONS**

If you have any questions concerning access to the HCS, please see Attachment 1 and contact Mr. David C. Szelest at (518) 474-3267. If you have questions regarding the RHCF-4 Cost Report form please email BVAPR@health.state.ny.us.

Sincerely,



John W. Gahan Jr.  
Director  
Bureau of Vital Access Provider Reimbursement

## Attachment 1 Electronic Certification Access Instructions

The Health Commerce System is a secure Internet site accessible by enrolled health providers. Individuals that have an HCS account will also need to receive Access to the Electronic Certification function. If you have an HCS individual account and do not have access to the Electronic Certification function please complete the attached **Electronic Certification Access Request Form** and submit it to the Bureau of Vital Access Provider Reimbursement e-mail log at [BVAPR@health.state.ny.us](mailto:BVAPR@health.state.ny.us). A notice of access indicating your Form has been processed will be delivered to the e-mail address listed on your HCS account.

**IF YOU DO NOT HAVE AN INDIVIDUAL ACCOUNT, PLEASE CONTACT YOUR HCS COORDINATOR TO FORWARD THE CURRENT USER FORMS ESTABLISHED ON HCS (UNDER THE COORDINATORS TAB ON THE MAIN HCS SCREEN). IF YOU HAVE QUESTIONS REGARDING THE SUBMISSION OF THE INDIVIDUAL ACCOUNTS AND USER FORMS, PLEASE CALL 1-866-529-1890.**

**Signatories with HCS accounts and appropriate access can proceed to the HCS site as follows:**

- 1) Website - [https://commerce.health.state.ny.us/public/hcs\\_login.html](https://commerce.health.state.ny.us/public/hcs_login.html)
- 2) HCS Network Screen – select “HCS Portal”
- 3) My Applications Menu – select NH Cost Report.
- 4) Nursing Home Cost Report Page - select the appropriate certification.
  - a. If you do not have access to the certification link, BVAPR has not received the form required to provide you access. Please complete the attached form.
  - b. **Please keep in mind that only one CPA and Operator can be active at any one period in time. If a new Certifier has to be appointed, a new form must be transmitted and certification access associated with the prior HCS ID will be terminated.**
- 5) Operator
  - a. Operators’ Certification Page - please select the facility for which you are certifying. If you have multiple facility access, all facilities you have access to will appear in a drop down box.
  - b. Facility Specific Page - please select the DCN you would like to certify. If you have multiple DCNs all DCNs will appear in the drop down. Please be sure to select the correct DCN.
  - c. Operators’ Certification Page - please read and review your certification and make sure all of the information is complete and accurate. Then press the certify button.
    - i. A confirmation of your certification will appear with the date and time. If you wish to log back into that DCN and print a copy, please do so. However, certified DCNs cannot be uncertified.
- 6) Certified Public Accountants
  - a. CPA’s Certification Page - please select the facility for which you are certifying. If you have multiple DCNs, all the DCNs will appear in the drop down.

- i. Facility Specific Page - please select the DCN you would like to certify. If you have multiple DCNs, all the DCNs will appear in the drop down. Please be sure to select the correct DCN.
- ii. Please select the type of report to which you are certifying. The four options are detailed in the following statements:
  1. **The standard certification.**
  2. **The standard certification which includes an additional paragraph directing the reader to an “accountant’s notepad”.**
  3. **The standard certification applicable to a facility that requires consolidated reporting.**
  4. **The standard certification applicable to a facility that requires consolidated reporting which includes an additional paragraph directing the reader to an “accountant’s notepad”.**
- b. CPA Certification Page - please read and review your certification and make sure all of the information is complete and accurate. Then press the certify button.
  - i. A confirmation of your certification will appear with the date and time. If you wish to log back into that DCN and print a copy, please do so. However, certified DCNs cannot be uncertified.

### **GENERAL INSTRUCTIONS**

- 1) Once a DCN is certified it cannot be undone; please be sure you have selected the correct DCN prior to certifying.
- 2) If the Nursing facility operator and/or CPA certify multiple DCNs, the most recent DCN will be considered the correct submission and will be used for rate setting purposes.
- 3) It should be noted that unless a cost report is certified by both the CPA and the Operator, the reimbursement system will have no indication that it was submitted, and it will be considered as rejected by the Department. If a certified cost report is not submitted by the required deadline, the nursing facility may be subject to the penalties established by Part 86-2.2(c) and Section 12-d of the Public Health Law. In addition, the 2013 Medicaid rate will not contain a capital component.
- 4) Ensuring that the appropriate signatories have HCS security and use agreement is the responsibility of the facility administration and HCS coordinator.

**Electronic Certification Access Request Form**

**Instructions:** Please print clearly. Form must be completed in its entirety. To submit this form electronically, it must be printed, completed, scanned as an email attachment and sent to the Bureau Mail Log at: BVAPR@health.state.ny.us.

Facility Name: \_\_\_\_\_ Operating Certificate: \_\_\_\_\_  
Address: \_\_\_\_\_  
*(Street Address, City, State, Zip Code)*  
County: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Part I – Operator Certification**

Facility Type and Authorized Signatory: *(Check One)*

Proprietary – Owner/Operator  
Voluntary – Officer  
Public/Government – Public Official/County Executive/Administrator

Operator Name: \_\_\_\_\_ Title: \_\_\_\_\_ HCS ID \_\_\_\_\_

a. Has there been a change in the operator/officer within the last twelve months? *(Check one)*

b. If yes, please indicate the name and title of the previous operator/officer that will be deleted from the electronic certification database:

Yes No

\_\_\_\_\_  
*(Full Name and Title)*

**Part II – CPA Certification**

Authorized CPA's Name: \_\_\_\_\_ CPA License Number: \_\_\_\_\_  
HCS ID \_\_\_\_\_

Accounting Firm Name: \_\_\_\_\_

Firm Address: \_\_\_\_\_  
*(Street Address, City, State, Zip Code)*

a. Has there been a change in the Accountant and/or Firm within the last twelve months? *(Check one)*

b. If yes, please indicate the previous **Accountant** / Firm that will be deleted from the electronic certification database:

Yes No

\_\_\_\_\_  
*(Full Name and Firm)*

I hereby attest to the accuracy of the information provided above for the purposes of obtaining an HCS account for the individuals indicated.

**Administrator's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

<b>DOH AGENCY USE ONLY:</b>	Date Request Received: ____/____/____
Operator Access Granted: Yes No	Date: ____/____/____ If denied explain: _____
CPA Access Granted: Yes No	Date: ____/____/____ If denied explain: _____