

## **Audit Process Changes under the Prospective Payment System**

- The Agency has implemented new processes as it relates to nursing home cost report audits due to the transition to a prospective payment system. There will now be two new processes for reviewing nursing home cost reports:
  - Limited scope review process, completed by Agency contracted audit firms
  - Desk audits, completed by Agency staff

## **Limited Scope and Desk Audits**

- These types of audits generally will not require an onsite visit. There may be exceptions to this.
- Due to the expeditious nature of the Prospective Payment System audits needed for the rebasing rate setting, your prompt and comprehensive cooperation with the CPA firm and Agency staff in acquiring information for the audit is of the utmost importance.
- Management companies and home offices with groups of facilities will be audited at the same time, as has been done in the past.
- Providers may contact the appropriate auditors for questions about data uploading and sharing of supporting documentation. Security is a priority with document sharing.
- Auditors will continue communication with providers, as has been in the past, throughout the course of the audit, as well as present adjustments at the exit conference. Due to tight timelines, supporting documentation will only be accepted in the timeframe outlined in the State Plan. Additional information will not be considered for an appeal.
- AHCA will not consider additional documentation to support the modification or appeal of a final audit report after it has been issued **except** in the case of emergency circumstances. Emergency circumstances are limited to loss of records from fire, flood, theft, or wind. **Appeals for unsupported documentation will not be allowed.**
- The process for the audits will be as follows:
  - Audit notification letter sent to provider
  - Documentation request from auditors including due date of initial data request
  - Auditor review and additional questions and requests for information
  - Exit conference
  - Following the exit conference, the provider has 30 calendar days to submit documentation or other evidence to contest any disallowed expenditures or other adjustments.
  - Any documentation received after the 30-day period shall not be considered when revising adjustments.
  - However, the 30-day limitation shall not apply if the provider can adequately demonstrate, through documentation, that emergency circumstances prevented the provider from submitting additional documentation within the prescribed deadline.

## **Limited Scope Audits**

- The Agency contracted audit firms will determine the elements that will be limited based on a provider specific criteria and risk assessment.

## **Desk Audits**

- Desk audits will tend to be of lesser scope than the limited scope audits and therefore less supporting paperwork will need to be provided.
- Desk audits will be conducted in a similar fashion to field or limited scope audits, in accordance with the State Plan. Providers will be notified of a desk audit with an Audit Notification Letter, with same timeframes in place as regular audits as outlined above.
- All exit conferences for desk audits will be conducted by phone.
- As with Full Scope and Limited Scope Audits, Desk Audits may request information on a facility's Total Square Footage and PPS allowable capital projects.