



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
HHR12070

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
ROBERTA WAGNER 304-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

HEALTH AND HUMAN RESOURCES
 INTERNAL CONTROL & POLICY
 DEVELOPMENT
 ONE DAVIS SQUARE, SUITE 401
 CHARLESTON, WV
 25301 304-558-7314

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
11/30/2011				

BID OPENING DATE: 01/03/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** MANDATORY PRE-BID MEETING ON 12/15/2012 AT 10:00 AM IN CONFERENCE ROOM 93 AT ONE DAVIS SQUARE IN CHARLESTO WV 25301. *****						
0001	1	JB		961-20		
PROFESSIONAL AUDITING SERVICES - CPA REQUEST FOR QUOTATION TO PROVIDE A CPA FIRM CONTRACTED AUDITS OF MEDICAID LONG TERM CARE NURSING HOME PROVIDER COST REPORTS, FOR DHHR, OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING (OAMR) . EXHIBIT 3 LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABL						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.html and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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<p>TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER</p>						

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<p>ORDER.</p> <p>INQUIRIES: WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON 12/16/2011. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO:</p> <p>ROBERTA WAGNER DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25311</p> <p>FAX: 304-558-4115 E-MAIL: ROBERTA.A.WAGNER@WV.GOV</p> <p>REV. 3/88 PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.</p> <p>REV 07/16/2007</p> <p>VENDOR PREFERENCE CERTIFICATE</p>						

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<p>THIS TEAM EXHIBIT HAS BEEN REPLACED BY THE ONLINE VERSION WHICH IS AVAILABLE HERE: HTTP://WWW.STATE.WV.US/ADMIN/PURCHASE/VRC/VENPREF.PDF</p> <p>MANDATORY PRE-BID</p> <p>A MANDATORY PRE-BID WILL BE HELD ON 12/15/2011 AT 10:00 AM IN CR 93 AT ONE DAVIS SQUARE. ALL INTERESTED PARTIES ARE REQUIRED TO ATTEND THIS MEETING. FAILURE TO ATTEND THE MANDATORY PRE-BID SHALL RESULT IN DISQUALIFICATION OF THE BID. NO ONE PERSON MAY REPRESENT MORE THAN ONE BIDDER.</p> <p>AN ATTENDANCE SHEET WILL BE MADE AVAILABLE FOR ALL POTENTIAL BIDDERS TO COMPLETE. THIS WILL SERVE AS THE OFFICIAL DOCUMENT VERIFYING ATTENDANCE AT THE MANDATORY PRE-BID. FAILURE TO PROVIDE YOUR COMPANY AND REPRESENTATIVE NAME ON THE ATTENDANCE SHEET WILL RESULT IN DISQUALIFICATION OF THE BID. THE STATE WILL NOT EXCEPT ANY OTHER DOCUMENTATION TO VERIFY ATTENDANCE. THE BIDDER IS RESPONSIBLE FOR ENSURING THEY HAVE COMPLETED THE INFORMATION REQUIRED ON THE ATTENDANCE SHEET. THE PURCHASING DIVISION AND THE STATE AGENCY WILL NOT ASSUME ANY RESPONSIBILITY FOR A BIDDER-S FAILURE TO COMPLETE THE PRE-BID ATTENDANCE SHEET. IN ADDITION, WE REQUEST THAT ALL POTENTIAL BIDDERS INCLUDE THEIR E-MAIL ADDRESS AND FAX NUMBER.</p> <p>ALL POTENTIAL BIDDERS ARE REQUESTED TO ARRIVE PRIOR TO THE STARTING TIME FOR THE PRE-BID. BIDDERS WHO ARRIVE LATE, BUT PRIOR TO THE DISMISSAL OF THE TECHNICAL PORTION OF THE PRE-BID WILL BE PERMITTED TO SIGN IN. BIDDERS WHO ARRIVE AFTER CONCLUSION OF THE TECHNICAL PORTION OF THE PRE-BID, BUT DURING ANY SUBSEQUENT PART OF THE PRE-BID WILL NOT BE PERMITTED TO SIGN THE</p>						

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LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
CONTACT PERSON (PLEASE PRINT CLEARLY):						
***** THIS IS THE END OF RFQ HHR12070 ***** TOTAL: _____						

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HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Inquiries:

Additional information inquiries regarding specifications of this RFQ must be submitted in writing to the State Buyer with the exception of questions regarding the proposal submission which may be oral. The deadline for written inquiries is identified in the Schedule of Events. All inquires of specification clarification must be addressed to:

Roberta Wagner, Buyer Supervisor
Department of Administration
Purchasing Division
2019 Washington St. East
Charleston, WV 25311

Fax: (304) 558-4115
Email: Roberta.A.Wagner@wv.gov

Schedule of Events

Release of the RFQ...	12/2/2011
Mandatory Pre-bid Conference	12/15/2011
Final Deadline for Vendor Questions...	12/16/2011

Mandatory Pre-bid Conference:

A mandatory pre-bid conference shall be conducted on the date specified above at 10:00 AM Said conference will be held at WV DHHR, One Davis Square, CR 93 Charleston, WV 25301.

All interested bidders are required to be present at this meeting. Failure to attend the mandatory pre-bid conference shall automatically result in disqualification. No one person can represent more than one vendor.

Vendors responding to this RFQ should submit:
One original and plus (5) convenience copies to:

Purchasing Division
Department of Administration
2019 Washington St. East
Charleston, WV 25311

The outside of the envelope or package(s) should be clearly marked:

Buyer:	Roberta Wagner
Req#:	HHR12070
Opening Date:	1/3/2012
Opening Time:	1:30 pm

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Background:

The WVDHHR Office of Accountability and Management Reporting (OAMR) is responsible for receiving semiannual LTC-FASRs, (cost reports) from all nursing facility providers for whom per diem rates are set on behalf of WV Medicaid.

These costs are submitted on the standard LTC-FASR form (Sample 3 attached) semi-annually and are used to calculate the per diem rates that participating long term care providers are paid for services rendered to West Virginia Medicaid clients. The examination engagements of the LTC-FASRs are used to determine whether any retroactive rate adjustments are necessary (e.g. based on unallowable or undocumented costs submitted, adjustments in census information, or other matters increasing or decreasing costs as originally reported).

Long term care providers are reimbursed only for allowable costs (as outlined in the rate setting methodology per the West Virginia Medicaid State Plan). Any reimbursement over cost is recovered through recalculation of the rate after the LTC-FASRs have been examined and adjusted for any findings of the examination. The rate is adjusted for any discrepancies noted in the examination; additionally, any other payments received by the provider during the period covered by the LTC-FASR under examination (such as payments for bed reservation days or West Virginia Medicaid credit balances) that are determined to be in error are recovered through this process as well.

Providers have a right to appeal the findings, recoveries and rate adjustments resulting from examinations and auditors are required to appear in evidentiary or other hearings to support the findings and conclusions or the examinations as well as prepare documents necessary for the attorneys or hearing examiner to sufficiently evaluate the findings or conclusions at issue.

These LTC-FASRs are desk reviewed and used to calculate the prospective per diem rates that will be paid to each provider for the next six-month period. OAMR is also responsible for examining LTC-FASRs to determine whether the costs and other data included on the submitted LTC-FASRs are allowable per WV Medicaid rules and regulations, documented, and appropriately classified and accounted for on the LTC-FASR. A typical examination of LTC-FASRs is performed on an individual provider basis (including all facilities or locations owned by the provider, typically incorporating six (6) to ten (10) consecutive semi-annual cost reporting periods per engagement. Any adjustments needed as a result of this process are incorporated into an adjusted rate calculation for each six-month rate period. The adjusted rate is then used to determine whether the provider was appropriately paid resulting in a recovery or additional payment to be processed as needed.

Through the course of the contract the vendor is expected to allow OAMR staff to be present during fieldwork (at the discretion of OAMR). The OAMR Audit and Rate Setting staff will be available as a resource for assistance in interpretation of applicable rules and regulations. Additionally, the adjusted rate calculation will be performed by OAMR's Rate Setting staff. The transmittal of the final report and communication with the provider regarding recovery or additional payment due will be performed by

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

the WVDHHR Bureau for Medical Services, (BMS). Vendor is expected to appear at any and all hearings resulting from provider appeals of findings, and is expected to provide documentation sufficient to support the conclusions and findings included in the report. Appearance at hearings is expected whether or not the timing of the hearing coincides with the term of the contract.

The vendor’s principal contact with OAMR will be Jeffrey L. Bush, Office Director, OAMR, or a designated representative, who will coordinate the assistance that OAMR will provide for the LTC-FASR engagements.

GENERAL INFORMATION

Purpose: The Department of Health and Human Resources, Office of Accountability and Management Reporting, hereinafter referred to as “Agency”, is requesting bids for a Certified Public Accountant firm to provide examination engagements of Long Term Care Financial and Statistical Reports (LTC-FASRs) received from West Virginia Medicaid providers.

Project: To obtain the services of a Certified Public Accountant to ensure that the costs submitted by long term care providers participating in the West Virginia Medicaid Program (“Provider”) are accurate, allowable, and in accordance with the West Virginia Medicaid Provider Manuals and all of the applicable laws, rules and regulations.

Work Location: Work is to be performed onsite at Provider offices as well as home office locations (for long term care providers that are part of a chain of facilities) or at the vendor’s location. Limited space and resources are available at the Agency offices to accommodate vendor staff.

General Requirements: The initial contract is for one year with the option of two (2) one-year renewals. Failure to meet the requirements of the requisition will result in disqualification.

Mandatory Requirements – Vendor Experience/Capabilities:	
Vendor must provide documentation of experience/capabilities.	
1	Vendor must have been in business at least fifteen (15) years and have at least (10) years experience conducting governmental audits.
2	Vendor must be a Certified Public Accountant (CPA) firm and must currently have on staff at Least ten (10) accounting professionals with at least five (5) of those holding CPA certification valid in the State of West Virginia.
3	Vendor will provide samples of work to demonstrate expertise in providing state staff and providers with training designed to enhance accuracy and consistency in cost reporting and cost report auditing.

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Mandatory Requirements – Vendor Experience/Capabilities-Continued:

Vendor must provide documentation of experience/capabilities.

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| 4. | Vendor will provide samples of work to demonstrate proficiency in providing Medicaid agencies with audit of cost report data from entities including nursing homes, hospitals, ICF-MR's, FQHC's, , etc. |
| 5. | Vendor shall provide examples of engagements with which they have been involved to show that they possess expertise working with regulators in order to address and resolve Federal findings, inquiries, disallowance issues, etc. |
| 6. | Vendor shall provide samples of direct experience in order to confirm an ability to provide state Medicaid agencies with insight relevant to changes in law, rules, and direction associated with the state's ability to effectively and efficiently manage the audit and reimbursement process in a compliant manner. |
| 7. | Vendor shall provide samples of related work to verify experience and proficiency representing Medicaid agencies throughout the appeals process including the ability to effectively testify as an expert witness. |
| 8. | Vendor shall provide a detailed description of its qualifications in working with sensitive information, including PHI and PII, as well as the HIPAA compliant tools it employees to allow for the safe transfer and storage of data. |
| 9. | Vendor shall provide detailed examples of having successfully worked with policy, program, finance, budgeting, departments of governmental units in order to ensure that the highest level of value is derived from funds allocated through the audit process. |

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Scope of Work – Mandatory Requirements:	
The vendor must comply with the following specifications in the performance of the service.	
1	<p>The engagements performed under this contract and reports issued upon completion of those engagements are to be in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) as well as Government Auditing Standards as issued by the Comptroller General of the United States. All work is to be performed in accordance with the provisions contained herein. Those standards may be found at the following links: http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SSAE.aspx http://www.gao.gov/yellowbook</p> <p>Up to seventeen (17) engagements will be performed under this contract. The information specific to each facility is included in Attachments 1-3 Cost Sheets.</p>
2	<p>Upon request by OAMR, the vendor is to perform financial and compliance audit engagements of semi-annual LTC-FASRs in accordance with the standards established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The vendor is to issue an opinion on the fair presentation, in conformity with generally accepted accounting principles and the rules and regulations established by the West Virginia Department of Health and Human Resources, of the financial and statistical information submitted in the LTC-FASRs for each facility examined along with a list of findings of non-compliance as described below. Additionally, the vendor is to issue a report on compliance and internal control in accordance with Government Auditing Standards.</p>
3	<p>Each engagement is to incorporate a pre-engagement planning meeting between an authorized representative of the vendor and the Agency to establish the procedures to be performed, whether OAMR staff intends to be present for any portion of the examination field work, the planned timing and expected completion of fieldwork, and the anticipated timing of draft and final report issuance. This meeting is to include a review of the cost reports to be examined as well as any additional information OAMR is aware of that would impact the examination procedures or the engagement.</p>
4	<p>The procedures for each engagement are to include, at a minimum, the procedures outlined in the OAMR Audit Guide (Sample 1 attached). However, this is not an all-inclusive list of procedures and the vendor is responsible for performing any and all procedures necessary to support the opinion and findings included in the examination report as described below. Materiality determination and examination procedures should focus on the schedules within the LTC-FASR that have the most impact upon the rate calculation (i.e. schedules WV-6, WV-7 and WV-16 through WV-22). Errors found in items sampled from those schedules should result in an expansion of testing to allow qualification and determination of the pervasiveness of the errors found.</p>

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

5	<p>Each engagement is to be conducted on an individual facility basis, and shall include up to eight (8) semi-annual LTC-FASRs, or cost reports. The vendor shall issue a report for each engagement expressing an opinion as to the completeness and accuracy of the information submitted on the LTC-FASRs in accordance with the WV Medicaid Provider Manuals and all applicable laws, rules and regulations, The report shall include the following elements:</p> <ol style="list-style-type: none"> 1. Independent accountants' examination report and report in accordance with Government Auditing Standards 2. A definitive list of findings of non-compliance, numbered sequentially and including the following elements (Sample 2 attached): <ol style="list-style-type: none"> a. Criteria b. Condition (to include cost report period, LTC-FASR cost center charged, page/line mapping to LTC/FASR field(s) affected, account number(s) and description(s) (from West Virginia Long Term Care Medicaid Chart of Accounts), amount originally reported on the LTC-FASR, correct amount, and quantification of increase or decrease necessary to adjust for cost or census error). c. Cause d. Effect or Potential Effect e. Recommendation 3. Status of prior findings (if any)
6	<p>Examination of facilities that share a common ownership or control (Chain Facilities) will generally be performed together as a group and shall include in the examination home office or other costs that have been allocated among the facilities and included in the LTC-FASRs submitted for those facilities.</p>
7	<p>Examinations of facilities that are owned by or located within a hospital (Hospital-Based Facilities) are to include in the examination any hospital costs allocated to the long term care facility and included in the LTC-FASR submitted for those facilities.</p>
8	<p>Vendor is prepared to adequately staff the engagement without reliance on OAMR staff for the performance of any audit related work or clerical support necessary for completion of the engagement.</p>

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Scope of Work – Mandatory Requirements:

The vendor must comply with the following specifications in the performance of the service.

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| 9 | The vendor shall be responsible for knowledge of the West Virginia Medicaid Provider Manuals, particularly Chapter 500, Volume 15 “Nursing Facility Services” as well as the West Virginia Medicaid Long Term Care Chart of Accounts. The OAMR staff shall be available to the vendor to assist in provision of information and explanations, as well as interpretations of rules and regulations as they pertain to audit findings and results of audit tests. It shall be the vendor’s responsibility to contact OAMR with any questions as to interpretation of rules and regulations as necessary. |
| 10 | Vendor is to immediately notify OAMR in writing in the event that any of the following are noted in the course of performing the engagement under this contract: criminal acts; fraudulent transactions; intentional abuse of WV Medicaid funding; irregularities; misrepresentations by facility management; or any issues that would cause delays in the issuance of the engagement report or an adverse opinion. |
| 11 | Vendor is to provide representation and consultation for all levels of provider appeals whether or not scheduling of such proceedings occurs during the term of this contract; this may include administrative hearings, evidentiary hearings, and judicial reviews as well as other legal proceedings not individually listed here. This representation shall be included in the price of the engagements and no additional compensation shall be made whether the timing is within or subsequent to the term of this contract. |
| 12 | Vendor is to meet with OAMR representatives upon completion of each engagement and will provide at the meeting a draft copy of the report for the engagement (or engagements if Chain Facilities). Any necessary changes must be discussed and agreed upon before final acceptance. Vendor is to be prepared (with workpapers) to discuss each finding and to perform additional work at the request of OAMR for any areas not sufficiently explained or findings not sufficiently quantified. In the event that changes or additional work are deemed necessary a subsequent draft will be submitted and discussed with OAMR. |
| 13 | The final draft of the report is to be submitted to OAMR by the vendor and OAMR will transmit that draft report to the facility. The facility shall have ten (10) business days from receipt to provide additional information to the vendor to mitigate or resolve the findings. |

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

14	Vendor is responsible for final report preparation, editing and printing. The vendor is to provide OAMR with three (3) copies of the final report for each engagement as well as one (1) copy of the engagement workpapers resulting from the examination.
15	All workpapers and reports are to be retained, at the vendor's expense, for a minimum of five (5) years. After the five (5) years have elapsed documents are to be delivered and surrendered unto the OAMR.
16	Vendor is to be available to OAMR to assist in adapting the engagement procedures as necessary to accommodate rule and regulation changes as they affect the rate determination and audit process on an as-needed basis.
17	Vendor will be expected to complete audit fieldwork and submit draft audit reports for OAMR quality review not later than 90 days before contract expiration date. Any audits not submitted by this date will not be considered complete and therefore, final outstanding payments will be withheld. Final drafts submitted by 90 day deadline will be quality reviewed and upon acceptance by OAMR as final, OAMR will authorize approval of final payment.
18	The bid must include a firm fixed fee for the performance of each facility engagement for the services discussed above. In the event additional work outside the standard (eight (8) LTC-FASRs) engagements is needed, the vendor is to meet with OAMR prior to commencing additional work and the vendor is to provide OAMR with a written estimate of the hours required to perform the additional work. Vendor should provide an hourly rate schedule for additional work that may be performed. In the event that less than eight (8) LTC-FASRs cost reporting periods are to be examined in an engagement, the vendor is to adjust the per engagement fee to accommodate the reduction in work accordingly.
19	<p>Vendor is to commit a cohesive, dedicated, highly skilled core team of key personnel to oversee and conduct the tasks required under this agreement. The vendor is to designate one contact person to report to the Director of OAMR or his designee regarding all matters related to this contract. This individual shall be a Certified Public Accountant in good standing licensed by the West Virginia Board of Accountancy. The designated contact person must be able to act on behalf of the vendor and have appropriate experience and expertise in overseeing similar engagements. The designated contact person must be available for monthly on-site meetings with the OAMR Office Director or designee. Vendor should notify OAMR immediately of any noncompliance by LTC Providers to submit requested information necessary to complete the audit. As covered in section 514 of the WV Nursing Facility Provider Manual, records found to be incomplete or missing at the time of the scheduled on-site visit must be delivered within 48 hours or an amount of time mutually agreed upon with the audit staff at the exit conference. Provider costs found to be unsubstantiated will be disallowed and considered an overpayment. Failure of Providers to submit records will not be justification for late submission by vendor of expected audit report deliverables.</p> <p>Meetings may be conducted less frequently than a monthly basis, if deemed appropriate by the OAMR, and may be requested more frequently on an as needed basis.</p>

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Special Terms and Conditions:

General Terms and Conditions:

By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this Request for Quotation.

Conflict of Interest:

Vendor affirms that it, its officers, members or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance of its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Agency.

Prohibition against Gratuities:

Vendor warrants that it has not employed any company or person other than a bonafide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the Agency shall have the right to annul this contract without liability at its discretion or to pursue any other remedies available under this contract or by law.

Certification Related to Lobbying:

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

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If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers, including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements, and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

Vendor Relationship:

The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFQ. Neither the Vendor, nor any employees or contractors of the vendor, shall be deemed to be employees of the State Agency for any purposes whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to Workers' compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

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Indemnification:

The Vendor agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendors, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statues or regulations; and (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

Governing Law:

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations, Federal, State and Local Government.

Compliance with Laws and Regulations:

The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant hereto shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

Subcontracts/Joint Ventures:

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The Agency will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the Agency, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of all subcontractors.

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Non-Appropriation of Funds:

If the Agency is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature, the Agency may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Agency shall give the vendor written notice of such non-allocation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

Contract Termination:

The Agency may terminate any contract resulting from this RFQ with 30 days prior notice or immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFQ and resulting contract. The Agency shall provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the Agency shall issue the Vendor an order to cease and desist any and all work immediately. The Agency shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

Changes:

If changes to the original contract become necessary, a formal contract change order will be negotiated by the State, the Agency and the Vendor, to address changes to the terms and conditions, costs of work included under the contract. An approved contract change order is defined as one approved by the Purchasing Division and approved as to form by the West Virginia Attorney General's Office, encumbered and placed in the U.S. Mail prior to the effective date of such amendment. An approved contract change order is required whenever the change affects the payment provision or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements.

As soon as possible after receipt of a written change request from the Agency, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written statement to identify any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the Vendor shall provide a description of the price increase or decrease involved in implementing the requested change.

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Price Quotations:

The bid shall include a price for each engagement based on the facilities to be audited during the term of this contract as listed in Attachment 1. Attachment 1 lists the names and locations of the facilities, chain or hospital affiliation of each facility (if applicable) along with locations of home offices or hospital, and the number of LTC-FASR's to be included in the engagement. The price quotation should be all inclusive to render the product outlined in "Mandatory Requirements" above, to include all travel, administrative or other costs as well as any work deemed necessary, including the examination of home office costs, management fees, hospital or other similar costs allocated to each facility on the LTC-FASR's. It is the vendor responsibility to review the bid specification prior to bidding to ensure that the per audit engagement price is all-inclusive in allowing for unknown circumstances. The price shall also include any future representation at administrative hearings or other legal proceedings, and the vendor shall be prepared to explain and defend the findings of the audit engagements. The price quote should be on an individual engagement basis. However the vendor shall be committed to perform up to seventeen (17) engagements during the term of this contract.

Rates for Additional Professional Staff:

In the event the OAMR requests additional work due to unforeseen or extraordinary circumstances, related to unusual audit findings, or other reasons which in OAMR's determination are above and beyond the work of a standard audit engagement outlined above, the vendor is requested to supply hourly rate that would apply to any charges for same.

Invoices, Progress Payments:

The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Progress payments shall be made on the basis of percentage of work completed at the per engagement prices per the Cost Sheet. Progress reports must be submitted to Agency with the invoice detailing progress completed or any deliverables identified. Payment will be made only upon approval of acceptable progress or deliverables as documented in the Vendor's report. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

Liquidated Damages: According to West Virginia State Code §5A-3-4(8), Vendor agrees that liquidated damages shall be imposed at the rate of \$200 per week for failure to meet deadlines agreed upon for an audit. This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other additional remedy to which the State or Agency may have legal cause for action including further damages against the Vendor.

HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Record Retention (Access & Confidentiality):

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to Agency personnel at Vendor's location during normal business hours upon written request by Agency within 10 days after receipt of the request.

Vendor shall have access to private and confidential data maintained by Agency to the extent required for Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractor or individuals permitted access by the Vendor.

Insurance Requirements:

The Vendor, as an independent Vendor, is solely liable for the acts and omission of its employees and agents. Proof of insurance shall be provided by the successful Vendor at the time the contract is awarded. The Vendor shall maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of Vendor, its agents and employees in the following amounts at a minimum.

- 1 For bodily injury (including death): Minimum of \$500,000.00 per person, \$1,000,000.00 per occurrence.
- 2 For property damage and professional liability: Minimum of \$1,000,000.00 per occurrence.

Vendor is solely responsible for required coverage of worker's compensation.

HIPAA Business Associate Addendum

The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's website (<http://www.state.wv.us/admin/purchase/vrc/hippa.htm>) is hereby made part of the Agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR§160.103) and will be disclosing Protected Health Information (45 CFR§160.103) to the Vendor.

Debarment and Suspension:

Successful Vendor must certify that no entity, agency or person associated with firm, is currently debarred or suspended from conducting business with any governmental agency.

Attachment 1

**HHR12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)
WEST VIRGINIA DHHR OAMR
COST QUOTE FOR STANDARD FACILITY ENGAGEMENT
YEAR 1 ALL-INCLUSIVE COST SHEET**

<u>FACILITY</u>	<u>All-Inclusive Per Engagement Cost</u>
1. Eagle Pointe	
2. Weirton Medical Center	
3. Guardian Elder Care at Wheeling	
4. Arbors at Fairmont	
5. Broaddus Hospital-Mansfield Place	
6. Greenbrier Manor	
7. Pleasant Valley Nursing and Rehabilitation Center	
8. Good Samaritan Society- Barbour County	
9. Montgomery General Elderly Care Center	
10. Grant Memorial Hospital	
11. Montgomery General Hospital Extended Care	
12. Morgan County War Memorial Hospital	
13. Minnie Hamilton health Care Center, Inc.	
14. Roane General Hospital	
15. St. Josephs Hospital of Buckhannon, Inc.	
16. Summers County ARH	
17. Summersville Memorial Hospital	
SUBTOTAL FOR STANDARD ENGAGEMENTS COST Year 1	

HOURLY RATE FOR EXTRAORDINARY ADDITIONAL SERVICES

(Based upon maximum 3-year Budgeted Hours allowed of 180 hours Total)

Extraordinary Additional Services 180 hours x \$ _____ Per Hour = \$ _____ Total

SUMMARY OF ALL COSTS

**GRAND TOTAL 3-YEAR CONTRACT COSTS (SUM OF YEARS 1-3) + \$ _____
PLUS THE TOTAL EXTRAORDINARY ADDITIONAL SERVICES**

Evaluation of Bids: Cost evaluations will be based on the total contract cost of the vendor who meets or exceeds the specifications and requirements. It is preferred that all vendors complete the attached pricing pages for years 1-3 rather than submitting a separate quote.

Attachment 2
HHR 12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)
WEST VIRGINIA DHHR OAMR
COST QUOTE FOR STANDARD FACILITY ENGAGEMENT
YEAR 2 ALL-INCLUSIVE COST SHEET

<u>FACILITY</u>	<u>All-Inclusive Per Engagement Cost</u>
1. Heartland of Charleston	
2. SunBridge Care & Rehabilitation For Dunbar	
3. SunBridge Care & Rehabilitation For Salem	
4. Heartland of Beckley WV, LLC	
5. Heartland of Keyser	
6. SunBridge Care & Rehabilitation for Pine Lodge	
7. SunBridge Care & Rehabilitation for Putnam	
8. Heartland of Clarksburg	
9. Heartland of Martinsburg	
10. Heartland of Preston County	
11. Nella's Nursing Home, Inc.	
12. New Martinsville Health Care Center	
13. SunBridge Care & Rehabilitation for Parkersburg	
14. SunBridge Care & Rehabilitation for Glenville	
15. Holbrook Nursing Home	
16. Nella's Inc.	
17. Heartland of Rainelle WV, LLC	
SUBTOTAL FOR STANDARD ENGAGEMENTS COSTS Year 2	

Attachment 3
HHR 12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)
WEST VIRGINIA DHHR OAMR
COST QUOTE FOR STANDARD FACILITY ENGAGEMENT
YEAR 3 ALL-INCLUSIVE COST SHEET

<u>FACILITY</u>	<u>All-Inclusive Per Engagement Cost</u>
1. Huntington Health & Rehabilitation	
2. Golden LivingCenter-Glasgow	
3. Golden LivingCenter-Morgantown	
4. Golden LivingCenter-Riverside	
5. Clarksburg Nursing & Rehabilitation Center	
6. McDowell Nursing & Rehabilitation Center	
7. Summers Nursing & Rehabilitation Center	
8. Hampshire Memorial Hospital	
9. The Maples	
10. Fayette Nursing & Rehabilitation Center	
11. E.A. Hawse Nursing & Rehabilitation Center	
12. Lincoln Nursing & Rehabilitation Center	
13. Cameron Nursing & Rehabilitation Center	
14. Wayne Nursing & Rehabilitation Center	
15. Webster Nursing & Rehabilitation Center	
16. Wyoming Nursing & Rehabilitation Center	
17. Mercer Nursing & Rehabilitation Center	
Subtotal FOR STANDARD ENGAGEMENTS COSTS Year 3	

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**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING
AUDIT GUIDE FOR LONG TERM CARE FACILITIES**

FACILITY NAME

xx/xx/xxxx - xx/xx/xxxx

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I. ENGAGEMENT PLANNING

	Date	Initials	Reference
1 Send provider engagement letter notifying them of examination	[]	[]	C2
2 Perform review of submitted cost report and provider submitted work papers Note any unusual entries, adjustments, allocations or reclassifications.	[]	[]	C1
3 Perform review of rate calculations Note any unusual or significant variances in provider's reported allowable costs between periods and compare allowable costs to applicable caps Also calculate planning material amounts by determining the dollar amount of cost standards compared to allowable costs For any unusual or significant variances noted, determine whether scope of examination should be modified; consider any such issues noted in testing of general ledger to cost report tie-in and suspect account analysis (Step 15 of this section) Document the conclusions and any effect on the examination scope in a narrative memorandum	[]	[]	C3a-d
4 For all rate components that have increased from the previous period and exceed to applicable cap, perform additional testing to isolate the account(s) creating the variance and test to ensure the variance is not the result of error	[]	[]	C3e
5 Perform review of facility appraisal reports and depreciation schedule Note any additions or renovations occurring during the examination periods.	[]	[]	C1 & C4
6 Perform review of prior year reports and examinations in OAMR files Note adjustments and appeals	[]	[]	C1 & C5
7 Discuss with Division of Rate Setting staff their awareness of any provider issues or complaints that would affect the scope of the engagement Discuss evaluation of materiality and document any effect on engagement scope	[]	[]	C1
8. Request that Division of Rate Setting staff prepare electronic adjusted rate worksheets for each cost report period audited	[]	[]	C1 & A3
9 Make arrangements with provider to begin field work. This includes sending a confirmation letter regarding the date and time of the entrance conference and sending the provider a list of information required at the entrance conference	[]	[]	C6
10 Forward a copy of the Internal Control Questionnaire to provider for completion and return to OAMR prior to beginning of field work.	[]	[]	C7
11 Forward a copy of Resident Trust Fund Questionnaire to provider for completion.	[]	[]	C7
12 Arrange for a discussion with the appropriate provider personnel to discuss in detail the individual items on the Audit List, the Internal Control Questionnaire and Resident Trust Fund Questionnaire. If feasible, arrange for this discussion to occur on site: if not, via conference call that includes all parties that may be involved in preparing or providing items requested for the audit Ensure that the items on the audit list are discussed with the provider and that understanding of what is needed is achieved, as well as understanding that the items should be available when the field work begins (if not provided electronically prior to field work) In addition to the items on the Audit List, discuss the following: a Adequacy and access to providers records b Provider's personnel who will be the primary contact person providing necessary documentation (including email, fax number and telephone number)	[]	[]	C1

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WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING
 AUDIT GUIDE FOR LONG TERM CARE FACILITIES

I. ENGAGEMENT PLANNING (continued)

Date Initials Reference

- 13 Review the completed Internal Control Questionnaire in order to obtain an understanding of the following
 - a Control Environment
 - b Accounting System
 - c Reporting Process

		C8 & C9
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- 14 Using the beginning and ending check numbers from the completed Internal Control Questionnaire, select a sample of disbursements from operating (i.e. non-payroll) bank accounts for substantive testing. Request that the provider complete and return an electronic (Excel) work sheet containing the following elements for each disbursement selected: check number date amount payee general ledger account posting

		C1 & G3
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- 15. Prepare a work paper to determine "suspect accounts" to compare amounts reported by cost center for each period examined. Calculate the variance between periods and identify the accounts with significant variances for additional testing

		G2a
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II. ENTRANCE CONFERENCE

- 1 Provide introductions of engagement team and identify facility personnel that will be available to assist the team

		C1
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- 2 Discussions with provider should include (but not limited to) the following:
 - a Working area for the engagement team
 - b Changes in the provider's operation
 - c Changes in accounting methods or principles applied
 - d Changes in key personnel
 - e Significant accounting or reporting problems
 - f Findings of internal or external audits
 - g Changes or issues in any facility software or hardware (or other system)
 - h Conversions/changes occurring during the examination period that could affect testing
 - i Adjustments to census statistics as originally reported
 - j Other issues as necessary

		C1
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- 3 If additional issues are found as a result of the entrance conference that affect the scope of the engagement document in a narrative memorandum; if no such issues are noted mark N/A at

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WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING
 AUDIT GUIDE FOR LONG TERM CARE FACILITIES

III. PRELIMINARY WORK

	Date	Initials	Reference
1 Conduct a tour of the provider's facility to become familiar with operations. Using the depreciation schedule and latest appraisal, physically observe additions, renovations, construction in progress, and any major equipment purchases. Document items reviewed on appraisal. Note any significant additions or changes not included in the appraisal or depreciation schedule on a separate work paper.			C1
2 Review the Board of Director's Minutes, noting capital expenditures, changes in contracts, leasing arrangements, management contracts, salary and revenue increases.			C1
3 Perform a reconciliation of Medicaid Cost Report to the provider's general ledger/trial balance for a sample of the cost report periods under examination. a. Agree amounts, account titles and account numbers per facility general ledger to WV Medicaid Grouping Report. b. Review general ledger expense accounts for appropriate classification within the cost report cost centers (i.e., nature of expenses for particular general ledger accounts is appropriately classified to commensurate cost center on cost report). c. Agree amounts per WV Medicaid Grouping Report to cost report.			C1 & C10
4. If available, perform review of annual external audit reports. Document any items noted that impact the scope of the engagement or planned procedures.			C1 & C11
5 Obtain copies of the Federal corporate or partnership tax returns for years under examination.			C1 & C12
6. Ask facility administrator and CFO if they are aware of any instances of fraud or mismanagement that have occurred (not specifically limited to the period of the audit).			C1
7 Expand audit scope and testing as necessary to obtain an understanding and quantify any issues noted in performance of Step 6 above.			C1
8 Document the results of the above testing, conclusions and any adjustments to engagement scope in a narrative memorandum.			C1

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IV. STATISTICS (CENSUS)

Date Initials Reference

- 1 Select one month for each cost report period included in the engagement and perform the following:
 - a Mathematically test midnight census documentation for accuracy and tie selected midnight census to resident day summaries
 - b. Mathematically test resident day summaries and tie to census reported by category on the cost report
 - c If errors are noted in the above testing, expand testing for cost report periods for which errors are noted by selecting additional months for testing.
 - d Summarize any adjustments needed to census based on the above testing

		D2
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- 2 In examination planning the facility was requested to provide a listing of bed reservation days from one selected month during each cost report period (for months with bed reservation days per the WV Medicaid Paid Days Report) Using the listings provided by the facility, examine supporting documentation to ensure the appropriateness of bed reservation days paid by Medicaid to include the following:
 - a. Calculate the facility occupancy for the midnight census prior to the individual's departure from the facility to ensure that it was above 95% (in accordance with Chapter 514, Section 514 10 of the Medicaid Provider Manuals)
 - b Summarize any bed reservation days that were inappropriately billed based on the above testing

		D2
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- 3 Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper

		D1
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WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING
 AUDIT GUIDE FOR LONG TERM CARE FACILITIES

V. PAYROLL

	Date	Initials	Reference
1 Perform a reasonableness test of total wages per cost report to wages on the provider's IRS Form 941 wage tax return or other payroll tax form based on wages. Document the reasons for any variance noted in which the cost report wages exceed the wages reported on the Form 941 by a significant amount. Expand testing as necessary to verify the reasons for such variances			E2
2 If payroll is allocated to cost centers determine if the allocation methodology is reasonable			E1
3 Select one payroll period and test for the following: a Gross pay per payroll is mathematically correct b Gross to net pay per payroll is mathematically correct c Time card ties to payroll register d Trace postings from the payroll register to the general ledger			E3
4 Review time records for administrative personnel to ensure compliance with Section 514 31.1 of Chapter 514 of the WV Medicaid Provider Manuals.			E1
5 Confirm the time records work efforts and classifications for employees related to owners and or management			E1
6 Review any bonuses accrued and/or paid			E1
7 Review documentation of fringe and employee benefits. Document any benefit and/or bonus plans that are not equally applicable to all employee classes.			E1
8 Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper			E1

VI. RESTORATIVE

1. Identify the types of therapies being administered at the facility and determine if the therapies are being performed by facility employees or by outside contract (e.g Physical Therapy, Speech Therapy, Inhalation Therapy, Occupational Therapy)			F1
2 Obtain explanation for material variances of total Restorative costs reported between FASR periods audited			F1
3. If therapies are being performed by an outside contractor, obtain a copy of the current contract and select a sample of transactions and trace to supporting invoices and cancelled checks. Mathematically test the accuracy of the invoices by recalculating against the contract rate			F2, F3
4 Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper			F1

Sample 1-HHR 12070 Auditing of LT Financial and Statistical Report

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING
 AUDIT GUIDE FOR LONG TERM CARE FACILITIES

VII. EXPENSES

	Date	Initials	Reference
1 Using the worksheet prepared in Section I, Step 14, request and review the following for the sampled items: a Original invoice, b Canceled check (or electronic image), c General ledger posting (noting appropriateness of general ledger account in relation to type of expense), d Approval by appropriate facility staff			G4
2 Review the general ledger account details supporting the accounts identified in the suspect account analysis in Section I, Step 15 Judgmentally select a sample of postings from these accounts and vouch to appropriate supporting documentation			G2b
3 Review for personal expenses of the owner/administrator paid by the facility and reported on the cost report			G1
4 Determine whether the results of testing in Step 1 and 2 above indicate cost shifting between cost centers to avoid ceiling limitations or to maximize incentives. If any such shifting is indicated, expand expense testing as necessary to quantify the adjustment needed to remove the effects of shifted costs.			G1
5 Review the provider's mileage log for existence and appropriateness Review general ledger vehicle expense accounts for insurance or other vehicle expenses and determine whether such expenses have been appropriately reclassified to cost report page WV24 Non-Allowable Vehicle Expenses			G5
6 Determine whether working capital interest is included in the cost reports and whether it is appropriate per Section 514 30 6 of Chapter 514 of the WV Medicaid Provider Manuals			G1 or G6
7. Using the related party detail list requested during engagement planning determine if any related parties exist and if so determine the nature of any relationships Judgmentally select individual items from the related party detail list for substantive testing to include examination of the facility's calculation to remove profit and ensure that the transaction is reported at cost If any transactions are noted in the testing that include related party profit, expand the testing to quantify the amount of related party profit adjustment needed Document the nature of any related party transactions noted as well as any adjustments needed in a narrative memorandum			G1 or G7
8 Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper			G1

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WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
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VIII. HOSPITAL-BASED FACILITY COST ALLOCATION

	Date	Initials	Reference
1 Obtain the allocation work papers and discuss with appropriate provider personnel the allocation methodologies If facility is not hospital-based; mark N/A at right			
2 Vouch amounts per account on the allocation work papers to general ledger Document any balances that do not agree			
3 Trace amounts per account on the allocation work papers to the FASR Grouping Report. Document any balances that do not agree			
4. Perform a test of the allocation work papers to determine whether accounts are properly classified to either an allowable cost center or non-allowable costs Document any exceptions to			
5 Compare the allocation methodologies used on the allocation work papers to the Medicare cost report allocation methodologies Discuss any differences between the allocation for Medicare cost reporting and the WV Medicaid cost report with facility management and document the			
6. Review the square footage to identify any changes from prior examination period allocation			
7 Review resident meal counts If an actual meal count was not used meals should equal three times in-patient days			
8. Discuss with appropriate provider personnel any issues or exceptions noted in the above testing.			
9 Document the results of the above testing in a narrative memorandum to indicate any necessary adjustments based on the above testing			H1

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WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
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IX. HOME OFFICE COSTS

	Date	Initials	Reference
1. Document (or obtain documentation of) services provided to the facility by the Home Office. Inquire of facility management how the services provided by the home office benefit resident care as required by Section 514.30.9, Chapter 514 of the WV Medicaid Provider Manuals. Document the response to this inquiry. Reconcile home office costs reported on the FASR to the home office trial balance.			
2. Obtain Home Office General Ledgers that support Home Office Expenses. Review for allocation reasonableness and allowability.			
3. Review the home office allocation to determine the propriety of the allocation method and for reasonableness and allowability. Determine whether the allocation was based on resident days (in accordance with Section 514.30.9 of Chapter 514 of the Medicaid Provider Manuals). If an allocation method other than resident days was used, review approval for change from WVDHHR or Medicare Intermediary.			
4. Perform a reasonableness test of Home Office expenses by comparing amount of Home Office costs per cost reports to amount of Home Office cost reported to Medicare for the commensurate period. Document any variances and determine whether additional testing is warranted.			
5. Review home office expenses for reasonableness and allowability. Ensure that home office expenses do not include personal expenses of owners. The review should include but not be limited to those accounts/account classifications tested when auditing an independent non-chain facility.			
6. a. If applicable, request a list of home office employees that include classifications and salaries. Review for reasonableness and determine employees are performing necessary functions related to patient care. Verify documentation of time worked.			
b. If applicable, document details of any applicable bonus programs. Inquire how bonuses are earned and accrued.			
7. a. Request an amortization schedule and supporting documentation of interest expense. Review for non-allowable interest expense such as automobile purchases.			
b. Determine whether working capital interest is included in the cost reports and whether it is appropriate per Section 514.30.6 of Chapter 514 of the WV Medicaid Provider Manuals.			
8. Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper.			I1

X. MANAGEMENT FEES

1. Review Management Agreement Contract. Obtain a copy for OAMR files and document whether management fees paid to related parties are reported on page WV24, Non-allowable Expenses (in accordance with Section 514.30.9 of Chapter 514 of the Medicaid Provider Manuals).			
2. Determine the basis used to calculate the management fees for the period under audit.			
3. Review the transaction register and identify all management fees paid.			
4. Ensure that payments are calculated in accordance with the management agreement and that they do not exceed allowable amounts.			
5. Document whether duplication of services is noted in above testing.			J1

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XI. REVENUES

	Date	Initials	Reference
1 Reconcile facility general ledger revenue to cost report revenue Document the reasons for significant variances noted			K1
2. Review miscellaneous and other income accounts Determine if these accounts are required to be offset against expenses Examples requiring offset are: a Interest Income b Sale of Meals c Rental of facility space			K1

XII. RESIDENT FUNDS

1 Review the Resident Fund Questionnaire completed by the provider for inclusion with the report			L2 & L3
2 Select one month and test reconciliation process for all residents Reconcile the sum of cash in the bank and petty cash (if applicable) to the subsidiary records as of the statement date			L4
3. Verify that interest earned is credited to the residents' account			L1
4 Determine whether funds are being held for discharged residents If any are noted, determine the method of disposition			L1
5 Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper			L1

XIII. MEDICAID CREDIT BALANCES

1 Compare Account Receivable Aging Report balances to the facility's general ledger Reconcile any differences noted			M2
2. Review accounts receivable aging report and/or resident ledger cards as of the last date in the engagement period to identify any credit balances which might indicate duplicate payments (third party payments) or other overpayments			M2
3. Inquire as to whether or not there exist any unapplied credits to resident accounts; If so review and determine whether any are related to periods under examination and if recoupment is appropriate			M2
4 If credit balances are found to exist for Medicaid residents review documentation to determine the amount of recoupment (if any) that is necessary. Create a list of credit balances to include account number (if any), name, amount			M2
5. Document the results of the above testing, findings and adjustments, and conclusions in a narrative memorandum or summary work paper			M1

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XIV. CONCLUSIONS

	Date	Initials	Reference
1. Schedule exit conference to discuss findings or issues noted during fieldwork. Provide any information needed by provider to resolve findings or issues. NOTE: Do not copy work papers; provide details (i.e. account number, amount, invoice numbers, check numbers, patient names, etc.)			B1
2. Provide to Division of Rate Setting staff list of all proposed and passed adjustments (including mapping to cost report page and line) for evaluation of potential impact to adjusted rate			B2
3. Prepare a draft report containing all proposed findings and adjustments			B3
4. Provide a copy of the draft report to the provider. Allow provider ten working days to supply any additional information or documentation			B3-B4
5. Review any additional provider documentation submitted during 10 day draft report review period. Make necessary revisions to report			B5
6. Calculate adjusted rate incorporating all proposed findings and adjustments.			A3-A4
7. Issue final report containing all cost report and rate adjustments to Bureau for Medical Services. Include BMS Letter and any supporting documentation when received			A1-A4

Sample 2

HHR12070 Auditing of Long Term Care Financial and Statistical Report (LTC-FASR)

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES
OFFICE OF ACCOUNTABILITY AND MANAGEMENT REPORTING

FORMAT FOR LISTING FINDINGS OF
NON-COMPLIANCE AND ADJUSTMENTS

The following format shall be used to describe findings noted in the examination of LTC-FASR's resulting in adjustments to the amounts reported:

Finding Number ____:

Criteria: Describe criteria applicable to the finding, including rule citations, etc.

Condition: Summarize the finding noted, included the cost report period, LTC-FASR cost center charged, page/line mapping to LTC-FASR field affected, account description, and quantification of cost or census error (the table below is an example; columns/rows may be added as necessary to sufficiently explain the issue and adjustment needed).

Cost Report Period	FASR Cost Center	Page/Line	Account Number/Title	Amount Reported per FASR	Correct Amount	Adjustments and Amount (dollars, days, etc.)

Cause: Describe cause (i.e. reason represented by facility, inadequacy of internal controls, etc.).

Effect or Potential Effect: Describe the effect of the findings on the LTC-FASR

Recommendations: Describe any recommendations (i.e. improvements or changes to internal control or facility procedures) that would prevent this type of finding from occurring again in a future period.

The following provides an example of a census adjustment for an engagement covering cost reports from 1/1/2003 through 12/31/2005:

Finding Number 2005-1 Census Error

Criteria: Per section 528 of the West Virginia Medicaid Provider Manual Chapter 500, Volume 15 Covered Services, Limitations and Exclusions, for Nursing Facility Services:

"Financial and Statistical records must be maintained by the facility to support and verify the information submitted on the cost reports."

Sample 2-continued

HHR12070 Auditing of Long Term Care Financial and Statistical Report (LTC-FASR)

Condition: For the six-month period ended June 30, 2005 the facility reported 1,525 total census days; however the facility's records indicated that the actual census was 1,575 for that period. The difference of 50 days was due to an adjustment of days in the "Private Pay" category that was not included when the census was summarized for the month of May 2005.

Cost Report Period	FASR Cost Center	Page/Line	Account Number/Title	Amount Reported per FASR	Correct Amount	Adjustments and Amount (dollars, days, etc.)
6/30/2005	Census	Page WV6, "Private" Line	N/A	1,525	1,575	Increase Census by 50 days

Causes: Per discussion with facility billing staff, the difference of 50 days was due to an adjustment of days in the "Private Pay" category that was not included when the census was summarized for the month of May 2005.

Effect or Potential Effect: Census days are misstated on the 6/30/2005 Financial and Statistical Report

Recommendation: It was noted during the engagement that the facility's procedure for summarizing census for inclusion in the Financial and Statistical Report does not include a review. We recommend that the facility perform a review of all data to be included on the Financial and Statistical report to ensure that it reconciles to appropriate source records and includes all necessary adjustments.

The following provides an example of a non-allowable cost adjustment for an engagement covering cost reports from 1/1/2003 through 12/31/2005:

Finding Number 2005-2-Non-Allowable Costs

Criteria: Per section 530.7 of the West Virginia Medicaid Provider Manuals Chapter 500, Volume 15 Covered Services, Limitations and Exclusions, for Nursing Facility Services:

"The cost of operating all license vehicles will be limited to the per mile rate approved by the West Virginia Travel Management Office."

Sample 2-continued

HHR12070 Auditing of Long Term Care Financial and Statistical Report (LTC-FASR)

Conditions: For the six-month period ended December 31, 2004 the facility included \$1,500 in vehicle insurance costs in Scheduled WV20A, Travel. These costs should have been reported on Schedule WV24, Vehicle.

Cost Report Period	FASR Cost Center	Page/Line	Account Number/Title	Amount Reported per FASR	Correct Amount	Adjustments and Amount (dollars, days, etc.)
12/31/2004	Administration	Page WV20A, Line 38	Account 8760, Travel	\$8,000	\$6,500	Decrease \$1,500
12/31/2004	Non-Allowable	Page WV24, Line 10	Account 9810, Vehicle	\$1,750	\$3,250	Increase \$1,500

Cause: The amount of insurance expense reclassified to non-allowable in the preparation of the Financial and Statistical Report was miscalculated, omitting the above amount from the reclassification.

Effect or Potential Effect: Allowable expenses on the Financial Statistical Report are overstated.

Recommendation: Management should ensure that all non-allowable expenses are reclassified prior to submission of the Financial and Statistical report.

HHR 12070 Auditing of Long Term Care Financial and Statistical Reports (LTC-FASR)

Sample 3

SCHEDULE OF EXPENSES

FACILITY NAME: Anytown Nursing Home		MEDICAID #: 0001234000		
PERIOD BEGINNING: 1/1/2007		ENDING: 6/30/2007		
ACCOUNT DESCRIPTION	PER BOOKS	ADJ DR	ADJ CR	ADJUSTED
MEDICAL RECORDS & SERVICES				31,000
SALARIES	31,000	0	0	0
DIRECT BENEFITS AND TAXES	0	0	0	8,612
INDIRECT BENEFITS AND TAXES	8,612	0	0	
SUB-TOTAL	39,612	0	0	39,612
CONSULTANTS				13,200
MEDICAL DIRECTOR	13,200	0	0	1,854
MEDICAL RECORDS	1,854	0	0	0
UTILIZATION REVIEW	0	0	0	900
PHARMACY	900	0	0	645
SUPPLIES	645	0	0	0
OTHER	0	0	0	0
ALLOCATED / CONTRACT MED. REC	0	0	0	0
EQUIPMENT RENTAL	0	0	0	0
TOTAL MEDICAL REC. & SERVICES	56,211	0	0	56,211
DIETARY				88,137
SALARIES	88,137	0	0	0
DIRECT BENEFITS AND TAXES	0	0	0	23,929
INDIRECT BENEFITS AND TAXES	23,929	0	0	
SUB-TOTAL	110,066	0	0	110,066
SUPPLIES	10,341	0	0	10,341
DISHES AND UTENSILS	486	0	0	486
CONSULTANTS	3,361	0	0	3,361
PURCHASED SERVICES	0	0	0	0
OTHER	0	0	0	0
FOOD	98,165	0	0	98,165
MEAL INCOME	-3,378	0	0	-3,378
ALLOCATED / CONTRACTED DIETARY	0	0	0	0
TOTAL DIETARY	219,041	0	0	219,041

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with West Virginia Code, §5A-3-37. (Does not apply to construction contracts). West Virginia Code, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,

- 2. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

- 3. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

- 4. Application is made for 5% resident vendor preference for the reason checked: Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,

- 5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,

- 6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ Signed: _____

Date: _____ Title: _____

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

RFQ No. HR 12070

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit:

Taken, subscribed, and sworn to before me this ____ day of _____, 20__.

My Commission expires _____, 20__.

AFFIX SEAL HERE

NOTARY PUBLIC _____