

**University of Rochester and Related Entities**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes      X   No

Identification of major programs:

<b><i>Assistance Listing Number(s)</i></b>	<b><i>Name of Federal Program or Cluster</i></b>
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Distribution
84.425E	COVID-19 Education Stabilization Fund - Student
84.425F	COVID-19 Education Stabilization Fund – Institutional
Various	Research & Development Cluster
Various	TRIO Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

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**Section II – Financial Statement Findings**

None noted in the current year.

**Section III – Federal Award Findings and Questioned Costs**

None noted in the current year.

# University of Rochester and Related Entities

## Summary Schedule of Prior Audit Findings

### Year Ended June 30, 2022

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#### **Section IV – Summary Schedule of Prior Audit Findings**

**2021-001:** (A) (B) Unallowed COVID-19 expenditures reported within the Health Resources Services Administration (HRSA) Provider Relief Fund Portal

**Program:** COVID-19 - Provider Relief Fund (PRF) and American Rescue Plan (ARP) Distribution

**Assistance Listing Number:** 93.498

**Agency:** Department of Health and Human Services (HHS)

**Award Year:** 1/1/2020-6/30/2021

**Award Number:** Not available

#### **Condition**

The University of Rochester and Related Entities had 10 Period 1 submissions into the HRSA portal. Period 1 reporting was completed by the following entities: 1. University of Rochester, 2. UR Medicine Home Care, Certified Services, Inc., 3. St. James Hospital, 4. The Frederick Ferris Thompson Hospital, 5. MM Ewing Continuing Care Center, 6. Nicholas H. Noyes Memorial Hospital, 7. Memorial Hospital of William F and Gertrude F Jones Inc. 8. The Highlands Living Center Inc., 9. Highland Hospital of Rochester, and 10. Meadows at Westfall, Inc.

From the detailed listing of expenses across the Period 1 HRSA submissions, PwC performed allowability testing of the “Unreimbursed Expenses Attributable to Coronavirus” in accordance with the Department of Health and Human Services (HHS) terms and conditions. Certain COVID-19 expenditures were either overstated, unallowable expenditures, or (understated). There were also incremental COVID- 19 expenditures not reported, in the Period 1 HRSA submissions by entity, by quarter and in total on a consolidated basis across the organization.

#### **Status**

Pursuant to the HRSA’s updated guidance, the University of Rochester and Related Entities will make lost revenue adjustments in reporting period 4 for the overstated expenses identified in our single audit for the year ended June 30, 2021 (identified above). Additionally, as a result of the findings in our single audit for the year ended June 30, 2021, the University issued updated guidance effective December 2022 regarding tracking and reviewing COVID-19 expenditures and a formal process for the review of HRSA portal submissions prior to submission to the HRSA.

# University of Rochester and Related Entities

## Summary Schedule of Prior Audit Findings

### Year Ended June 30, 2022

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**2021-002:** (L) Reporting of Unreimbursed Expenses Attributable to Coronavirus and Lost Revenues within the Health Resources Services Administration (HRSA) Provider Relief Fund Portal

**Program:** COVID-19 - Provider Relief Fund (PRF) and American Rescue Plan (ARP) Distribution

**Assistance Listing Number:** 93.498

**Agency:** Department of Health and Human Services (HHS)

**Award Year:** 1/1/2020-6/30/2021

**Award Number:** Not available

The following were identified for the Period 1 HRSA portal submissions:

- Finger Lakes Visiting Nurse Service (FLVNS) ceased operating and transferred service of all patients to UR Medicine Home Care, Certified Services, Inc. (URHC) in November 2019. FLVNS ultimately merged into URHC and ceased to exist in November 2020. FLVNS received PRF payments based on their TIN's Medicare reimbursement for the previous year. For the Period 1 submission, URHC allocated a portion of its total expenses and lost revenue to FLVNS based on the ratio of former FLVNS patients served by URHC to total patients served by URHC in 2020. As a result, FLVNS reported expenses and lost revenue when FLVNS did not have any operating activities in 2020.

FLVNS Period 1 reporting should have shown a transfer to URHC, as allowed under the HHS terms and conditions, with URHC reporting total expenses and lost revenue on its Phase 1 submission. The amount reported on the FLVNS Period 1 HHS report erroneously was \$322,723.

- University of Rochester management identified 5 equipment records submitted for Period 1 reporting that were later discovered to have also been previously reimbursed by other grants. The 5 equipment records submitted on both Period 1 reporting to HRSA and other grants totaled \$87,265.
- Highland Hospital of Rochester management identified nursing agency expenditures that were not appropriately captured in the Period 1 reporting's quarterly reporting. This resulted in an overstatement of nursing agency costs in Quarter 2 (April – June 2021). However, in totality Highland Hospital of Rochester understated these COVID-19 expenditures.
- At our request, Nicholas H. Noyes Memorial Hospital management assessed their reporting of COVID-19 lab tests within the Period 1 reporting to HRSA. As a result of their review, management identified that they overstated COVID-19 lab tests in Quarter 1 (January – March 2020) by \$930 and in Quarter 2 (April – June 2020) by \$13,346. However, underreport the full expenditures of COVID-19 lab tests in Period 1 reporting by \$25,506 if assessing across all allowable quarters from January 2020 – June 2021.

#### Status

With respect to the issues identified above, the University and Related Entities completed the corrective action noted in Management's Corrective Action Plan for the single audit for the year ended June 30, 2021. Further, as a result of the findings in our single audit for the year ended June 30, 2021, the University issued updated guidance effective December 2022 regarding tracking and reviewing COVID-19 expenditures and a formal process for the review of HRSA portal submissions prior to submission to the HRSA.