

MEMORANDUM

Texas Department of Human Services * Long Term Care/Policy

TO: LTC-R Regional Directors
Section/Unit Manager

FROM: Marc Gold
Section Manager
Long Term Care-Policy
State Office MC: W-519

SUBJECT: Regional Survey & Certification Letter #99-03

DATE: February 5, 1999

The attached RS&C Letter is being provided to you for information purposes and should be shared with all professional staff.

- RS&C Letter No. 99-03 -- Questions and Answers Concerning Community Mental Health Centers (CMHCs); Call Beverly Tucker, Section Manager, Professional Services, at (512) 438-2631.

If you have any questions, please direct inquiries to the individuals or sections listed above.

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~Original Signature on File~

Marc Gold

Attachment

DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Region VI
1301 Young Street, Room 833
Dallas, Texas 75202

January 5, 1999

REGIONAL SURVEY AND CERTIFICATION LETTER NO: 99-03

To: All State Survey Agencies (Action)
All Title XIX Single State Agencies (Information)

Subject: Questions and Answers Concerning Community Mental Health Centers (CMHCs)

The purpose of this letter is to respond to several questions that have been raised about CMHCs.

Question 1: Is a CMHC permitted to operate satellites under the provider agreement/number issued to it at the location listed on its application that was approved for Medicare purposes ?

Answer: In accordance with section 1913 (c)(1) of the Public Health Service Act (PHSA) which supersedes 1916 (c)(4) of the PHSA, CMHCs are required to provide mental health services principally to individuals who reside in a defined geographic area (service area). Therefore, CMHCs must service a distinct and definable community. The regional office (RO) determines the confines of the community in the event that the CMHC requests to operate a satellite of its approved parent site and the RO will determine if the satellite is permissible.

Question 2: If the RO permits the approved CMHC to operate a satellite, must the satellite provide all of the core PHSA services and the same partial hospitalization services that the approved CMHC provides at the primary site.

Answer: No. If a CMHC operates a HCFA approved satellite, the satellite location is not required to provide all of the core PHSA services. However, the patient must be able to access and receive the services he/she needs at the approved primary location, or at a satellite that is conveniently located within the community served by the CMHC.

Question 3: Where must the core PHSA service records and the partialization hospitalization records be maintained?

Answer: The PHSA core service records as well as the partial hospitalization records of the primary site and any satellites must be available at the primary site that was approved by the RO.

Question 4: Are entities applying for Medicare approval required to identify proposed satellite locations?

Answer: Yes, an applicant CMHC must identify for the Health Care Financing Administration (HCFA) the site where it intends to operate the CMHC as well as any proposed satellites of this site. This information is specifically requested on the CMHC's enrollment application, (Form HCFA-855). If the State survey agency receives a request from a CMHC to operate a satellite, refer this request to the HCFA Regional Office (RO). The RO will inform the CMHC if it determines that the proposed satellites must be separately approved because they are not a part of the community where the parent CMHC is located.

Question 5: Is an approved CMHC required to notify HCFA if it proposes to add a satellite to the site that was previously approved by the RO and issued the provider agreement?

Answer: Yes, because the RO needs to make a determination as to whether it wants to approve the satellite location as a part of the provider agreement issued the CMHC or whether the satellite must be separately approved because it is in a different geographic area serving a different community.

Question 6: What action should the State survey agency take if it discovers that the CMHC is operating a satellite that has not been reported by the CMHC to the RO?

Answer: The State survey agency should notify the RO of the situation. The RO will contact the approved CMHC and request that it identify all satellites that it is operating and billing under the CMHC's provider agreement/number. If the RO determines that any of these satellites are not located within the geographic area approved for the CMHC, it will suspend payment to the CMHC until it requests approval of these satellites and until they are issued a provider agreement/number of their own.

Question 7: What action will the RO take if the CMHC does not request Medicare approval of a satellite which it has been informed must apply for CMHC status, and the CMHC continues to bill Medicare for the satellite's partialization services through the CMHC?

Answer: The RO will terminate the CMHC's provider agreement.

Question 8: What action should the State survey agency take if it discovers that the CMHC has moved, without notification, from the address that was approved for it by the RO?

Answer: The State survey agency should report the situation to the RO with a recommendation on whether or not it believes the CMHC has moved out of the geographic area for which it received approval . If the RO determines that the CMHC has not moved out of the geographic area for which it received

approval, the RO will inform the intermediary and the State survey agency of the address change. If the RO determines that the CMHC has moved out of the geographic area for which it was approved, the RO will treat the CMHC's move as a cessation of business in accordance with 42 CFR 489.52 (b)(3) and terminate its provider agreement.

Question 9: Will the RO take the same action if the CMHC's move out of its geographic area resulted from a change of ownership (CHOW)?

Answer: Yes, the former owner's agreement terminated when the CHOW occurred, and the new owner must apply for Medicare approval at the CMHC's new location which is in a different geographic area.

Question 10: Must a CMHC actually provide the core PHSA services or is it sufficient if it makes these CORE services available?

Answer: The CMHC must actually provide the core PHSA services.

Question 11: What is the effective date of an agreement with a CMHC?

Answer: The effective date of the CMHC's provider agreement is the date the RO determines that all Federal requirements are met and signs the provider agreement. This date would be after the CMHC's enrollment has been verified and after any necessary onsite visits have been made.

If you have further questions, please call Sam Wynn of my staff at (214) 767-3570.

Sincerely,

~Signature on File~

Calvin Cline,
Chief, Survey and Certification Operations