

# MEMORANDUM

Texas Department of Human Services \* Long Term Care/Policy

**TO:** LTC-R Regional Directors  
Section/Unit Managers

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

**SUBJECT:** Regional Survey & Certification Letter #99-04

**DATE:** February 5, 1999

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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. 99-04 -- Revised Instructions for Processing a Community Mental Health Center's (CMHC) Request for Medicare Approval; 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.

~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: 99-04

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

Subject: Revised Instructions for Processing a Community Mental Health Center's (CMHC)  
Request for Medicare Approval

The purpose of this memorandum is to provide you with revised instructions for processing a CMHC's request for Medicare approval. These instructions are effective upon receipt.

There are several reasons for revising the current instructions, which include the following:

The CMHC block grant program was amended in 1992 by Pub. Law No. 102-321. One of the changes to the block grant program was the removal of section 1916(c)(4) of the Public Health Service Act (PHSA). A new section 1913(c)(1) of the PHSA was established. Section 1913(c)(1) of the PHSA omitted one of the five (5) core requirements, consultation and education services. CMHCs are now expected to meet the four (4) core PHSA requirements at section 1913(c)(1). (Attached)

Section 1913(c)(1) makes it clear that the CMHC is expected to provide services principally to individuals residing in a defined geographic area (service area). The expectation is that the CMHC serves a "community."

We have become aware that some CMHCs were not providing all services required by the PHSA. Consequently, we will require all applicant CMHCs to now attest to meeting these requirements on a separate Attestation Statement.\*

All new providers are now required to complete the HCFA Form 855. The purpose is to verify the eligibility of providers/suppliers to participate in the Medicare program, and to more effectively prevent fraud and abuse.

We have revised the model letter to be given to an applicant CMHC because we want to make certain the CMHC clearly understands what is required for it to become a Medicare provider, and what events it must report to HCFA. The revisions include:

- advising the CMHC it must provide notification if it plans to relocate; and
- requiring retention of patient records at the primary location of the CMHC.

Please send the following information to all CMHCs that apply to participate in the Medicare program for purposes of providing partial hospitalization services:

1. Revised Model Letter;
2. Revised Attestation Statement;
3. Statement of Financial Solvency;
4. HCFA Form 855 - Enrollment Application;
5. Section 1913(c)(1) of the PHSA; and
6. Crucial Data Extract Form

We are revising the State Operations Manual to reflect these changes.

The provider agreement, (HCFA Form 1561) will be countersigned by the regional office (RO) only after the CMHC has successfully enrolled and the RO has determined that it meets all Federal requirements. The requirements may include an onsite visit to the CMHC or a request to the CMHC for additional information.

If you have questions, please call Sam Wynn of my staff at (214) 767-6301.

Sincerely,

~Signature on File~

Calvin Cline,  
Chief Survey and Certification Operations Branch

Enclosures:  
PHSA - Section 1913(c)(1)  
Revised Model Letter  
\*\*Attestation Statement

**Public Health Service Act**  
**Section 1913(c)(1)**

\*Section 1913(c)(1) requires, with respect to mental health services, the community mental health center to provide:

1. Services principally to individuals residing in a defined geographic area (hereafter in this subsection referred to as a "service area");
2. Outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;
3. 24 hour-a-day emergency care services;
4. Day treatment or other partial hospitalization services, or psychosocial rehabilitation services; and
5. Screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission.

\*The services must actually be provided, rather than just available.

**Model Letter**  
**PARTICIPATION IN MEDICARE AS A**  
**COMMUNITY MENTAL HEALTH CENTER**  
**PROVIDING PARTIAL HOSPITALIZATION SERVICES**

If you desire to participate in the Medicare program as a community mental health center (CMHC) providing partial hospitalization services, you must submit your request to this office. Your letter requesting approval as a CMHC will be considered an official application.

The application must contain at least the following:

- The name and address of the facility;
- The name of the responsible agent, including the address and telephone number;
- The facility's Medicare provider number, if the facility is already participating in the Medicare program as another type of provider;
- The Medicare provider number of the entity, if the facility is operated as part of and under control of another entity that is participating in the Medicare program;
- The type of ownership or control (i.e., nonprofit, government);
- The services provided with number of full-time equivalent employees; and
- A signed Attestation Statement indicating that the facility complies with all of the Federal requirements in Section 1861(ff)(3)(B) of the Social Security Act.

If it is determined by our office that all Federal requirements are met, you will be required to sign a provider agreement and you will receive notification that your facility has been approved to furnish partial hospitalization services. The address shown in your provider agreement is where HCFA requires all clinical records of services provided to patients to be maintained. This includes records of services provided under an arrangement, because the CMHC is responsible for all services whether provided directly or under a contract.

We will also assign each CMHC a provider identification number. The effective date of Medicare participation for the CMHC will be the date the facility is determined to meet all Federal requirements.

Those facilities that are denied approval to participate in the Medicare program will be notified and given the reason(s) for the denial.

You are required to notify the Health Care Financing Administration at the time you are planning a transfer, deletion, addition, or relocation of a service area. If operation of the entire facility is later transferred to another owner, ownership group, or to a lessee, the CMHC identification number will be automatically assigned to the successor, following notification.

Each proposed CMHC must enroll with Medicare by completing a HCFA Form 855 and independently meet the Federal requirements for CMHCs, and be assigned a separate CMHC agreement and identification number. The facility must also conform to the provisions of section 1866 of the Social Security Act and all Medicare regulations applicable to CMHCs.

## ATTESTATION STATEMENT

Complete the following attestation statement and return it with your letter requesting participation in the Medicare program as a Community Mental Health Center providing partial hospitalization services.

The \_\_\_\_\_ (name of facility) hereinafter referred to as the Community Mental Health Center (CMHC), hereby agrees to:

(A) Maintain compliance with §1861(ff)(3)(B)(i) of the Social Security Act (the Act) by providing the services described in §1913(c)(1) of the Public Health Service Act (PHSA) (which supersedes former §1916(c)(4) of the PHSA);

(B) Maintain compliance with §1861(ff)(3)(B)(ii) of the Act by meeting applicable licensing or certification requirements for CMHCs in the State in which it is located; and

(C) Maintain compliance with the requirements set forth in Parts 400, 410, 424, and 489 of Chapter IV, Title 42 of the Code of Federal Regulations, and to report promptly to the Health Care Financing Administration any failure to do so.

I certify that I have reviewed each Federal requirement indicated above and that \_\_\_\_\_ (name of facility) is in compliance with the applicable requirements. I also certify that I agree to comply with the provisions of §1866 of the Act and Medicare regulations applicable to CMHCs.

ATTENTION: Read the following provision of Federal law carefully before signing.

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statement or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both. (18 U.S.C. §1001).

Name \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_