



COMMONWEALTH of VIRGINIA

Department of Health

Robert B. Stroube, M.D., M.P.H.
State Health Commissioner

Center for
Quality Health Care Services and
Consumer Protection

For The Hearing Impaired
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Suite 216, 3600 W. Broad St.
Richmond, Virginia 23230-4920
FAX 1-804-367-2149

MEMORANDUM

DATE: February 22, 2006

TO: Certified Home Health Provider

FROM: Frederick W. Kyle, Supervisor
Division Acute Care Services

SUBJECT: Certified Home Health Agency Branch Request

The CMS form 1572 (a) and (b) is required for processing requests for approval to establish a Medicare/Medicaid branch office. Each agency is advised to contact its Fiscal Intermediary to obtain the CMS Form 855A.

The Centers for Medicare and Medicaid Services (CMS) Regional III Office requires home health agencies opening new branches to receive written approval from the Regional Office for each specific location opened. Approvals must be in accordance with the CMS procedures described in SOM 2182 (Rev 1, 05-21-04) found at the website CMS.hhs.gov/manuals/107. The CMS Form 855A is required be returned to the fiscal intermediary for review.

The home health agency may apply in writing to the state or CMS Regional Office. If the Regional Office receives the initial request, it will be referred to the state agency for action. The state agency is required to assess the request for approval and to make a recommendation to the CMS Region III Office.

Before this Center can recommend approval for the establishment of a branch office, the following information must be submitted to the Center regarding each proposed branch office:

- Complete and return the form CMS 1572 (a) & (b) for each branch location to this Center. CMS-form 1572 (a) item numbers 1-14 and 16-17 enter parent data. Item number 15, enter branch or subunit data. CMS form 1572 (b) item numbers 18-19 enter the proposed branch office data.
- Name and position of the staff person responsible for the administrative supervision by the parent agency to the branch office;

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(804) 367-2102

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- The types of home health services provided by the parent;
- The types of home health services to be offered by the branch;
- The branch hours of operation;
- Criminal background record check and sworn statements for new employees;
- Identify the geographical area serviced by the parent;
- Identify the geographical area to be serviced from the branch office;
- The approximate date of the opening of each branch office.
- Provide a roster of all branch staff and their job descriptions;
- Provide proof of staff qualifications (resume, licensure, aide training, etc.);
- Provide contracts for any services provided under arrangement;
- List any services shared with the HHA parent;
- Report any intention to cross state lines (need a reciprocal agreement between states and RO approval at that time);
- Provide policy for addressing clinical and other emergency situations;
- Provide plans for addressing staff absenteeism;
- Identify any high-tech services provided;
- Identify how staff will coordinate care and services;
- Identify the person who will resolve patient care issues at the branch, and explain how supervision by the HHA parent will occur;
- Attach organizational chart delineating lines of authority, professional and administrative control for the HHA and the branch.

Surety Bond and Capitalization Requirements

The requirement for surety bond for the initial enrollment in the Medicare Home Health Program has been placed on hold. This final rule revised Medicare regulations concerning surety bond requirements published in the Federal Register (63 FR 29648) on June 1, 1998. Those regulations specified submission compliance dates for all home health agencies (HHA) to furnish a surety bond to CMS. This rule removes those submission compliance dates.

All questions regarding the surety bonds requirements are to be directed to:

**Kelly Dennis
Cahaba Government Benefit Administrators
Provider Audit & Reimbursement
Station 27 - 636 Grand Avenue
Des Moines, IA 50309
Phone: (515) 245-4679
Fax: (515) 245-3965**

Capitalization requirements mandate all new home health agencies to have an adequate and reliable stream of revenue. **Each new home health agency must show proof that it has enough capital to fund its first three (3) months of operation.**

The capitalization requirement applies only to home health agencies seeking initial Medicare/Medicaid certification on or after January 1, 1998.

Branch

If the CMS regional office determines that the proposed branch is actually a subunit, then the subunit will be required to go through the enrollment process, meet the capitalization requirements, serve 10 patients, undergo a survey and meet any other requirements that a new home health agency would be expected to meet.

The Center will review the documentation upon receipt and will make recommendations to the CMS Regional Office regarding the agency's branch request. The home health agency will receive a written response from this Center regarding this request. Final written determination will be forwarded to your attention from the CMS Region III Office located in Philadelphia. Agencies with questions regarding this correspondence or any of the forms mentioned should send e-mail to HHA@vdh.virginia.gov or to CMS.hhs.gov/manuals/107 or contact the Center staff at (804) 367-2104.