

DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

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

February 23, 1998

REGIONAL SURVEY AND CERTIFICATION LETTER NO: 98-02

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

Subject: Procedures for Reviewing Extension Units of Providers of Outpatient Physical Therapy or Speech Pathology (OPT/SP) Services

The purpose of this letter is to provide clarification on how to process requests from rehab agencies seeking to expand their service areas by adding extension sites to their existing Medicare provider agreement.

It is important to realize and convey to OPT/SP rehab agencies requesting expansion (e.g., extension units) that licensing and certification decisions may not parallel each other. While a request for an extension site may be in compliance with state licensing rules, Medicare coverage of the same location as a rehab agency extension might be denied because it does not meet program requirements.

You should instruct providers to notify the State Agency and HCFA in advance of any proposal to add an extension site or to change a certification status (i.e. from a parent agency to an extension site or vice-versa). In the absence of notification by the provider, HCFA has no way of determining whether the expanded site(s) qualifies for Medicare coverage.

In addition to the above, the following steps should be followed in processing rehab agency requests for extension sites:

1. Determine if the proposal complies with State and local laws related to the particular provider type. Again, a license classification may not equate to a corresponding Medicare certification.
2. Determine if the proposed extension site meets the requirements at 42 CFR 485.71 1 and State Operations Manual Section 2990. Please refer to the enclosure for further guidance.
3. Determine whether an on-site survey is required. Although legal authority exists for conducting a survey, this may not be necessary if the provider furnishes you with sufficient information to make a determination.
4. Send HCFA your recommendations via HCFA 1539 and inform the provider that it should not bill Medicare for services provided by the extension site before the effective date approved by HCFA.
5. The Regional Office will review the proposal and will utilize general criteria to make the determination of the operational characteristics of the rehab facility and will consider mileage and travel time, the proximity of the proposed extension site and the parent, and its geographic area. Metropolitan Statistical Areas will be considered when making a decision based on cost benefits to the program.

If you have any questions, please call Rachel McCarty at (214) 767-2082.

Sincerely,
(Signature)
Calvin Cline, Branch Chief
Survey and Certification Operations Branch

CONSIDERATION OF EXTENSION LOCATION (ALTERNATE SITE) AND PARENT OFFICE DESIGNATIONS

The definitions for a rehab agency parent and alternate site are the primary references to be used in determining the status of a particular rehab location.

An alternate site is a location or site from which a rehab agency provides services within a portion of the total geographic area served by the parent rehabilitation agency. The alternate site is part of the rehab agency and is located sufficiently close to the parent agency so that it shares administration, supervision, and services in a manner that renders it unnecessary for the alternate site independently to meet the conditions of participation as a rehab agency.

Supervision means authoritative procedural guidance by a qualified person for the accomplishment of a function or activity. The supervisor must be on the premises to supervise an individual who does not meet the qualifications.

Proximity and Characteristics of Parent and Alternate Sites

The parent agency must be close enough to the alternate site to share administration, supervision and services with it on a daily basis. If the parent is not capable of sharing such functions with the alternate site on a daily basis, then the nonparent office or location must independently meet the conditions of participation. Sharing administration, supervision, and services on a daily basis primarily by telephone, e-mail, facsimile, machine and other electronic means does not meet the intent of the regulation.

"Geographic area" in terms of the regulatory rehab agency definitions means travel time and distance as these terms apply to the ability of the parent and nonparent to share administration, supervision, and services on a daily basis. To reasonably accommodate daily supervision and the sharing of services, mileage and travel time between the parent and the alternate site will usually require no more than approximately one hour driving time.

The fact that the nonparent office is located in a different metropolitan statistical area (MSA) from that of the parent is a consideration in making determinations about geographic areas. The geographic area served will be considered along with the Metropolitan Statistical Areas.

The sharing of rehab agency functions may occur at any time of the day and could flow in either direction e.g. parent to alternate site or alternate site to parent. If the parent rehab agency uses a different staff from that used by the nonparent, it is less likely that there is any sharing of functions on a daily basis between the parent and the nonparent. If the parent and alternate site are incapable of sharing emergent functions, including services, on a daily basis, it is not an alternate site.

If the proposed or existing alternate site has a larger caseload than the parent, this is an indicator that the alternate site is being used to extend the service area rather than being used to better serve that geographic area of the parent, and should be classified as a parent.

The following are additional criteria to be considered when making an extension site determination:

The parent OPT/SP controls the staffing of all alternate sites.

The parent agency controls patient census of its alternate sites.

The parent agency controls any issues/matters affecting the operation of any given alternate site.

The lines of authority and professional and administrative control are clearly delineated in both organizational

structure and in practice and can be traced to the parent entity.

Supervision is shared between a parent entity and an alternate site. If the alternate site is so large and serves many patients or is so distant that it is impossible for a supervisor of a specific discipline to accomplish at least substantive review of the supervised tasks, the alternate site must be requested to convert to a parent agency.

The administrator of the rehab agency maintains an ongoing liaison with the alternate site staff and the group of professional personnel. The administrator is apprised of and resolves issues affecting patients in alternate sites.

The parent office maintains current personnel records on all staff. A statement of personnel policies must be maintained at each alternate site for staff usage.

Contracted arrangements with various entities are the responsibility of the parent agency, even when the contracted services are used exclusively by the alternate site.

An alternate site should retain the clinical records for its patients, since the alternate site is where the professionals providing the services are located. Duplicate records need not be maintained at the parent agency but must be made available to the surveyor upon request.

*** The above guidelines are to be applied on a case by case basis. They should also be applied at the time of an annual survey at either parent or alternate site.**