



Center for Clinical Standards and Quality/Survey & Certification Group

Ref: S&C: 14-20-NH

DATE: April 18, 2014

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Fiscal Year (FY) 2014 Post Sequester Adjustment for Special Focus Facility (SFF) Nursing Homes

Memorandum Summary

- **Revised total SFF Slots:** Effective April 2014, we have adjusted the number of designated slots and candidates so States can resume selecting and replacing nursing homes for SFF designation.
- **Adjustment to Number of Slots:** Pursuant to the FY2013 budget sequestration, we reduced the number of SFF slots. We are now re-building the program by a gradual increase in the number of SFF slots from its reduced base. Later, we will also introduce additional methods to address persistently poor quality in nursing homes.
- **Phase in period:** States may have the option to start selecting SFFs immediately or phase in the total to meet the required number by July 2014.
- **Continuation of Program Changes:** As outlined previously the Centers for Medicare & Medicaid Services (CMS) Regions and States will continue with the Programmatic and Operational Adjustment by conducting the 18 month “last chance” onsite survey and reviewing the progress of all facilities that have been on the SFF list for more than 12 months.

We are making certain adjustments in the SFF program one year after the S&C memorandum (S&C 13-23-ALL) that was issued pursuant to the FY2013 budget sequestration. States will select and replace nursing homes for SFF designation and continue the SFF initiative (consistent with Sections 1819(f)(8) and 1919(f)(10) of the Social Security Act).

The CMS is expecting that States will continue the process to speed up final resolution of the issues with these nursing homes where serious problems have persisted for a considerable time. These changes include an 18 month “last chance” on site survey and review of the progress of all facilities that have been on the SFF list for more than 12 months. If the onsite survey revealed continuing issues the facility would continue in the SFF program with a more robust quality improvement program, or the Medicare provider agreement would be terminated for non-compliance with Medicare requirements.

Effective May 1, 2014, we outline below the number of SFF slots and candidates list for each state which has been adjusted to accommodate future changes in the SFF program. States have the option of designating SFF facilities immediately or phasing in the designation by July 31,

2014. In addition, the table also includes a listing of the total number of SFFs currently enrolled in the program.

State	SFF Currently Enrolled	Required SFF Slots	Size of Candidate List	State	SFF Currently Enrolled	Required SFF Slots	Size of Candidate List
Alabama	1	1	5	Montana	0	1	5
Alaska	-	-	-	Nebraska	1	1	5
Arizona	0	1	5	Nevada	1	1	5
Arkansas	0	1	5	New Hampshire	1	1	5
California	6	6	30	New Jersey	1	2	10
Colorado	0	1	5	New Mexico	1	1	5
Connecticut	1	1	5	New York	1	3	15
Delaware	1	1	5	North Carolina	0	2	10
District of Columbia	-	-	-	North Dakota	0	1	5
Florida	1	3	15	Ohio	3	5	20
Georgia	1	2	10	Oklahoma	3	2	10
Hawaii	0	1	5	Oregon	0	1	5
Idaho	0	1	5	Pennsylvania	2	4	20
Illinois	0	4	20	Rhode Island	1	1	5
Indiana	0	3	15	South Carolina	0	1	5
Iowa	2	2	10	South Dakota	1	1	5
Kansas	2	2	10	Tennessee	0	2	10
Kentucky	0	1	5	Texas	3	6	30
Louisiana	1	1	5	Utah	1	1	5
Maine	1	1	5	Vermont	1	1	5
Maryland	0	1	5	Virginia	1	1	5
Massachusetts	2	2	10	Washington	0	1	5
Michigan	2	2	10	West Virginia	0	1	5
Minnesota	0	2	10	Wisconsin	2	2	10
Mississippi	2	1	5	Wyoming	0	1	5
Missouri	1	3	15	Total	48	88	435

We will also be developing several pilot programs in various CMS Regions and may be making additional policy process adjustments to the SFF program. The pilot programs are designed to evaluate other interventions for the SFF program.

Communication: This information should be communicated with all survey and certification staff, their managers and the State/Regional Offices immediately.

Contact: For additional information, please contact Jay Weinstein at 410-786-0506 or by e-mail, Jay.Weinstein@CMS.hhs.gov.

/s/

Thomas E. Hamilton

Resources:

- S&C: 10-32-NH Special Focus Facilities (SFF) Procedures
- S&C: 12-23-ALL FY2013 Sequester Adjustments for Survey & Certification
- Admin Info: 13-24-NH FY 2013 Sequester Adjustments for Special Focus Facility (SFF) Nursing Homes

cc: Survey and Certification Regional Office Management