



**Office of Clinical Standards and Quality/Survey & Certification Group**

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**Ref: S&C: 12-26-HHA**

**DATE:** April 6, 2012

**TO:** State Survey Agency Directors

**FROM:** Director  
Survey and Certification Group

**SUBJECT:** Home Health Survey and Certification Activities Related to Program  
Safeguards: Deactivation

**Memorandum Summary**

**Survey Activity Required as a Result of the Deactivation of the Medicare Billing Privilege:** CMS-1560-F amended the regulation at 42 CFR 424.540(b)(3) to require that, upon deactivation of a Home Health Agency's (HHA) billing privileges, a survey to validate compliance with the Conditions of Participation (CoPs) must be performed before billing privileges can be reactivated. These surveys will be considered **re-certification** surveys and will be scheduled as a Tier IV priority.

**Background Policy**

The Home Health Prospective Payment System (HHPPS) final rule CMS-1560-F, amended the regulation at §424.540(b)(3) to require that effective January 1, 2010 a HHA that has been deactivated must undergo a Medicare survey for compliance with the CoPs before its billing privileges can be reactivated by the Regional Home Health Intermediary (RHHI) or Medicare Administrative Contractor (MAC). Deactivation most commonly occurs when a provider or supplier fails to submit a Medicare claim for 12 consecutive months.

**Discussion**

Once the Centers for Medicare & Medicaid Services (CMS) and/or the State Survey Agency (SA) receive notification from the RHHI/MAC that it has completed its review of a reactivation request, a survey may be scheduled as a Tier IV priority. The survey should be entered into the Automated Survey Processing Environment (ASPEN) as a **recertification** survey with a note that a survey was conducted due to a request for reactivation of billing privileges. The provider will retain its existing CMS Certification Number (CCN). The provider agreement remains in effect during the deactivation of billing privileges and thus there would be no need for a new

agreement following a recertification survey. Agencies that are deactivated by the RHHI/MAC are not automatically terminated upon deactivation and must still be surveyed by the SA/Accrediting Organization (AO) per standard recertification procedures, even though the agency has not reapplied for Medicare billing privileges.

In instances where the deactivated provider currently has deemed status through an AO, the AO will conduct the recertification/reactivation survey and notify the Regional Office (RO) of the findings. It is the responsibility of the HHA to notify the AO that a reactivation survey is required. In the event a deactivated HHA, which is under the jurisdiction of the SA, wishes to use an AO to conduct a reactivation survey, the AO would conduct this as an initial deemed status survey and notify the RO of the findings to establish the deemed status standing in the Federal data system. It will be entered into the system under current procedures for when a HHA changes to deemed status.

No communication from the CMS RO to the RHHI/MAC concerning the outcome of the survey is necessary. The RHHI/MAC will require the HHA to submit written proof that it has passed a survey.

**Effective Date:** This guidance is effective immediately. Please ensure that all appropriate staff is fully informed within 30 days of the date of this memorandum.

**Training:** The information contained in this letter should be shared with all home health survey, certification, and enforcement staff, their managers, and State/RO training coordinators.

## References

CMS-1560-F was published in the Federal Register Tuesday, November 10, 2009.  
<http://edocket.access.gpo.gov/2009/pdf/E9-26503.pdf> Effective Date: January 1, 2010

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management