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# Program Memorandum

## Intermediaries

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Department of Health and  
Human Services (DHHS)

HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal A-00-18

Date: APRIL 2000

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### CHANGE REQUEST 1109

**SUBJECT: Fiscal Intermediary (FI) Community Mental Health Center (CMHC) Enrollment and Change of Ownership (CHOW) Site Visit Process and Coordination with National CMHC Site Visit Contractor**

**PURPOSE:** The purpose of this Program Memorandum (PM) is to tell you when and how to coordinate with the National CMHC Site Visit Contractor to initiate a CMHC site visit for initial enrollment and CHOW situations. A site visit is required for all CMHC applicants seeking enrollment in the Medicare program, as well as those seeking a CHOW.

**BACKGROUND:** To date, you have not been provided with instructions for performing CMHC site visits as part of the enrollment process. We retained a National CMHC Site Visit Contractor, IntegriGuard (a division of California Medical Review, Incorporated (CMRI)) to complete CMHC site visits after you have completed your usual enrollment process and conclude that the CMHC applicants should be enrolled in the Medicare program. IntegriGuard can be contacted at the following:

- o Address: Program Manager  
IntegriGuard Division  
CMRI  
CMHC Site Visit Task Order  
One Sansome Street, Suite 600  
San Francisco, California 94104
- o Phone: (415) 951-1008
- o Fax: (415) 951-1079
- o E-mail: cmhc@integriguard.org.

**ACTION: Initial CMHC Applicant Enrollment:** CMHCs require an on-site visit prior to enrollment. Follow your current procedures for provider enrollment, including communicating and sharing information with the State agencies (SA) (or for FIs in regional office (RO) IX, your RO) regarding enrollment up to and including verification of the Form 855. If Form 855 cannot be verified, follow current procedures for recommending denial of enrollment.

In addition to your current provider enrollment procedures, check for a completed and signed CMHC attestation statement from the SA (or for FIs in RO IX, your RO). If the CMHC has not filed a completed attestation statement with the SA (or for FIs in RO IX, your RO), follow current procedures for recommending denial, and file a recommendation for denial, citing the reason.

Using Attachment A, "Request for Community Mental Health Center State Screening Verification," verify in writing with the appropriate RO Division of Medicaid and State Operations (DMSO) whether the applicant CMHC has the legal capacity under State law to provide screening services for admission to State mental health facilities and suspend the enrollment process. For workload purposes, you may deduct the amount of time it takes to receive the written screening verification

from the application processing time (start counting the deducted time from the day after the request is mailed and begin counting the application processing time again on the day the verification is received back from the RO DMSO) to account for any time lapse you may experience in obtaining this information. Retain this written notification as part of the enrollment file. Once the RO DMSO has determined that the applicant CMHC has the legal capacity under State law to provide screening services, continue the enrollment process. If the RO DMSO cannot verify that the applicant CMHC has the legal capacity under State law to provide screening services, follow current procedures for recommending denial and file a recommendation for denial, citing the reason.

If Form 855 has been verified, and the CMHC has filed a completed attestation statement and has the legal capacity under State law to provide screening services, send a copy of Form 855 back to the SA (or for FIs in RO IX, your RO) for retention, and issue your recommendation for approval. Using Attachment C, "Community Mental Health Center Site Visit Request Form," contact the National CMHC Site Visit Contractor via e-mail to initiate a site visit of the CMHC applicant, sending a carbon copy of the request to the SA (or for FIs in RO IX, your RO) and the appropriate RO DMSO, with a carbon copy to the RO provider enrollment contact.

Direct all calls and correspondence regarding the CMHC site visit process to the appropriate RO DMSO address.

Once the site visit is completed, the RO DMSO will contact you via the provider agreement tie-in notice to inform you of the outcome of the site visit review process and the effective date, if applicable.

**Visits to Existing Medicare CMHCs:** There may be instances, such as a CMHC audit, which may prompt the RO DMSO or another FI unit (i.e., audit) to request a site visit of an existing CMHC. When asked to initiate a site visit use Attachment C, "Community Mental Health Center Site Visit Request Form," to send a written site visit request to the National CMHC Site Visit Contractor, indicating the reason for the visit.

The National CMHC Site Visit Contractor will contact you prior to the site visit for information about the CMHC, including:

- o Any significant cost report audit information;
- o Any significant medical review information;
- o Any significant fraud information;
- o HCIS data from the two most recent completed data years on the CMHC to be visited; and
- o Any information regarding overpayments from the overpayments database.

If possible, provide this information with your request for the site visit, or upon request, or as soon thereafter as possible.

In instances where a site visit is completed for an existing CMHC that does not have Form 855 on file, please send Form 855 to the CMHC and request that it be completed.

Direct all calls and correspondence regarding the CMHC site visit process to the appropriate RO DMSO address.

**CHOW Processing:** If the CHOW applies to a CMHC, do the following to facilitate and ensure a site visit is completed. Be aware that the date of the CHOW is the date of the CMHC sale. A CHOW without prior notification is automatically processed as an assigned CHOW as explained in the “CHOW With Assignment” section below.

**CHOW Without Assignment:** If the CMHC buyer does not or will not be accept assignment, the CMHC seller must submit Form 855C to apprise you of the CHOW as soon as possible. The CMHC buyer should submit a new Form 855 and be treated as an initial applicant, in accordance with Medicare Intermediary Manual (MIM) §3040.21 and all other applicable instructions and procedures for initial applicants, with one exception: contact the National CMHC Site Visit Contractor 3 months after the date of the CMHC sale/CHOW to initiate the site visit.

Before initiating a site visit, check to ensure that the CMHC has not changed address. If the CMHC has changed address, notify the RO in writing, using Attachment B, “Notification and Approval of CMHC Address Change,” and suspend the enrollment process. For workload purposes, you may deduct the amount of time it takes to receive notice from the RO DMSO that the CMHC has not left the community it was approved to serve, from the application processing time (start counting the deducted time from the day after the request is mailed and begin counting the application processing time again on the day the approval is received back from the RO DMSO) to account for any time lapse you may experience in obtaining this information. Once the RO DMSO determines that the CMHC has not left the community it was originally approved to serve, continue the enrollment process. If the RO DMSO does not approve the change of address, follow current procedures for recommending denial and file a recommendation for denial, citing the reason.

**CHOW With Assignment:** If the CMHC owners are or will be accepting assignment, the following should be done:

- o The CMHC seller must submit Form 855C to apprise HCFA of the CHOW as soon as possible. The CMHC buyer must submit Form 855.
- o Once received, verify and process the Form 855 in accordance with current procedures.
- o If the Form 855 cannot be verified, follow current procedures for issuing a Recommendation for Denial.

Check for a completed and signed CMHC attestation statement from the SA (or for FIs in RO IX, your RO). If the CMHC has not filed a completed attestation statement with the SA (or for FIs in RO IX, your RO), follow current procedures for recommending denial, file a recommendation for denial, citing the reason.

Using Attachment A, “Request for Community Mental Health Center State Screening Verification,” verify in writing with the appropriate RO DMSO whether the applicant CMHC has the legal capacity under State law to provide screening services for admission to State mental health facilities and suspend the enrollment process. For workload purposes, you may deduct the amount of time it takes to receive the written screening verification from the application processing time (start counting the deducted time from the day after the request is mailed and begin counting the application processing time again on the day the verification is received back from the RO DMSO) to account for any time lapse you may experience in obtaining this information. Retain this written notification as part of the enrollment file. Once the RO DMSO has determined that the applicant CMHC has the legal capacity under State law to provide screening services, continue the enrollment process. If the RO DMSO cannot verify that the applicant CMHC has the legal capacity under State law to provide screening services, follow current procedures for recommending denial and file a recommendation for denial, citing the reason.

Check to ensure that the CMHC has not changed address. If the CMHC has changed address, notify the RO in writing, using Attachment B, "Notification and Approval of CMHC Address Change," and suspend the enrollment process. For workload purposes, you may deduct the amount of time it takes to receive notice from the RO DMSO that the CMHC has not left the community it was approved to serve, from the application processing time (start counting the deducted time from the day after the request is mailed and begin counting the application processing time again on the day the approval is received back from the RO DMSO) to account for any time lapse you may experience in obtaining this information. Once the RO DMSO determines that the CMHC has not left the community it was originally approved to serve, continue the enrollment process. If the RO DMSO does not approve the change of address, follow current procedures for recommending denial and file a recommendation for denial, citing the reason.

If Form 855 is verified and the CMHC has filed a completed attestation statement, has not changed address and has the legal capacity under State law to provide screening services for admission to State mental health facilities send a copy of Form 855 back to the SA (or for FIs in RO IX, your RO) for retention, issue the recommendation for approval.

Three months after Form 855 verification, or sooner if the CMHC applicant is suspect but cannot be denied enrollment based solely on the information provided on the Form 855, using Attachment C, "Community Mental Health Center Site Visit Request Form," contact the National CMHC Site Visit Contractor via e-mail to initiate a site visit of the CMHC applicant, sending a carbon copy of the request to the SA (or for FIs in RO IX, your RO) and the appropriate RO DMSO, with a carbon copy to the RO provider enrollment contact. The National CMHC Site Visit Contractor will contact you prior to the site visit for information about the CMHC prior to and after the CHOW, including:

Any significant cost report audit information;

- o Any significant medical review information;
- o Any significant fraud information;
- o HCIS data from the two most recent completed data years on the CMHC to be visited; and
- o Any information regarding overpayments from the overpayments database.

Provide this information upon request or as soon thereafter as possible. You may also provide this information with your request for the site visit.

Direct all calls and correspondence regarding the CMHC site visit process to the appropriate RO DMSO address.

Once the site visit has been completed, the RO DMSO will contact you to inform you of the outcome of the site visit review process. In addition, the RO DMSO may determine that the results of the site visit warrant action such as payment suspension.

**The *effective date* for this PM is March 1, 2000.**

**The *implementation date* for this PM is April 1, 2000.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after April 1, 2001.**

**If you have any questions, contact Alissa Schaub-Rimel on (410) 786-4660.**

**Attachment A**

**REQUEST FOR COMMUNITY MENTAL HEALTH CENTER STATE SCREENING  
VERIFICATION**

Date \_\_\_\_\_

Dear HCFA Regional Office Division of Medicaid and State Operations:

In order to complete processing of the following Medicare Community Mental Health Center (CMHC) application, it is necessary for the Fiscal Intermediary (FI) to verify with you in writing that the CMHC applicant has the legal capacity under State law to provide screening services for admission to State mental health facilities. The FI must have written verification of this CMHC applicant's legal capability under State law to provide screening services for admission to State mental health facilities before it can request a site visit. Once you have determined whether the CMHC applicant in question has the legal capacity under State law to provide screening services for admission to State mental health facilities, please complete the regional office (RO) Division of Medicaid and State Operations (DMSO) portion of this form and return it to the FI contact person at the address, fax number or e-mail address listed below. Thank you.

The following information has been reported by the CMHC applicant on Form 855:

**(FI completes the following for the CMHC applicant)**

Doing Business as Name: \_\_\_\_\_

Legal Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

Owner(s) Name: \_\_\_\_\_

\_\_\_\_\_

Managing/Directing Employee: \_\_\_\_\_

\_\_\_\_\_

Contact Person: \_\_\_\_\_

**(FI completes the following for the FI)**

FI Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

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**(Regional Office Division of Medicaid and State Operations completes the following)**

Date: \_\_\_\_\_

The CMHC applicant noted above (check one):

\_\_\_\_\_ DOES have the legal capacity under State law to provide screening services for admission to State mental health facilities.

OR

\_\_\_\_\_ DOES NOT have the legal capacity under State law to provide screening services for admission to State mental health facilities.

**(RO DMSO completes the following for the RO DMSO)**

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**Attachment B**

**NOTIFICATION AND APPROVAL OF CMHC ADDRESS CHANGE**

Date \_\_\_\_\_

Dear HCFA Regional Office Division of Medicaid and State Operations:

In processing the following Medicare Community Mental Health Center (CMHC)'s change of ownership (CHOW) application, it was discovered that the CMHC applicant buyer has undergone a change in address. In order to complete the enrollment process, it is necessary for the Fiscal Intermediary (FI) to verify with you in writing that the CMHC applicant will still be serving the community served before the address change. Please complete the regional office (RO) Division of Medicaid and State Operations (DMSO) portion of this form and return it to the FI contact person at the address, fax number or e-mail address listed below. Thank you.

The following information has been reported by the CMHC applicant on the Form 855:

**(FI completes the following for the CMHC applicant)**

Doing Business as Name: \_\_\_\_\_

Legal Name: \_\_\_\_\_

Current Address: \_\_\_\_\_

\_\_\_\_\_

Previous Address: \_\_\_\_\_

\_\_\_\_\_

Current Phone Number: \_\_\_\_\_

Previous Phone Number: \_\_\_\_\_

Owner(s) Name: \_\_\_\_\_

\_\_\_\_\_

Managing/Directing Employee: \_\_\_\_\_

\_\_\_\_\_

Contact Person: \_\_\_\_\_

CHOW date: \_\_\_\_\_

**(FI completes the following for the FI)**

FI Name: \_\_\_\_\_

Address: \_\_\_\_\_

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Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

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E-mail Address: \_\_\_\_\_

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Contact Person: \_\_\_\_\_

**(Regional Office Division of Medicaid and State Operations completes the following)**

Date: \_\_\_\_\_

The address change reported for the CMHC applicant noted above (check one):

\_\_\_\_\_ HAS BEEN approved.

OR

\_\_\_\_\_ HAS NOT been approved.

**(RO DMSO completes the following for the RO DMSO)**

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_



**Attachment C**

**COMMUNITY MENTAL HEALTH CENTER SITE VISIT REQUEST FORM**

Date of request: \_\_\_\_\_

Check type of site visit:

\_\_\_\_\_ Initial applicant

\_\_\_\_\_ Change of ownership with assignment

\_\_\_\_\_ Change of ownership without assignment

\_\_\_\_\_ Other - (explain reason for visit) \_\_\_\_\_

Please complete the following for the CMHC applicant requiring a site visit:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Owner(s) Name: \_\_\_\_\_

Managing/Directing Employee: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Please complete the following for the fiscal intermediary:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Corresponding HCFA Regional Office: \_\_\_\_\_

HCFA Regional Office Contact: \_\_\_\_\_