



Center for Clinical Standards and Quality

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TO: State Survey Agency Directors

FROM: Director
Quality, Safety & Oversight Group

SUBJECT: Transitioning Certification Enrollment Functions Performed by the CMS
Locations

****Revised to include additional guidance related to the processing of voluntary terminations based on temporary closures****

Memorandum Summary

- The Centers for Medicare & Medicaid Services (CMS) will be transitioning certain certification enrollment functions performed by the CMS locations (formerly CMS Regional Offices) to CMS' Center for Program Integrity (CPI) Provider Enrollment Oversight Group (PEOG) and the Medicare Administrative Contractors (MACs).
- The first phase of enrollment certification work to transition is voluntary terminations.
- Education and outreach will be provided to stakeholders regarding the transition of work and the communication processes.
- The State Operations Manual (SOM) and Program Integrity Manual (PIM) will be updated accordingly to reflect these changes.
- The implementation date for the voluntary termination transition occurred on July 27, 2020.
- *CMS is revising existing guidance to include the CMS Location responsibilities in assisting the SAs in determinations of temporary closures.*

Background:

In an effort to **streamline the enrollment process for certified providers/suppliers**, the Centers for Medicare & Medicaid Services (CMS) will be transitioning certain certification enrollment functions performed by the Survey Operations Group (CMS locations) to CMS' Center for Program Integrity (CPI) Provider Enrollment Oversight Group (PEOG) and the Medicare Administrative Contractors (MACs). The transition of the enrollment certification workload *has occurred with* rollouts occurring throughout CY2020 *through* CY2022. CMS will implement these rollouts via updated instructions to the appropriate CMS manuals.

Discussion:

The transition of certification enrollment work commenced *in July 2020* with voluntary terminations. Our first segment of this transition began with certified provider/supplier enrollment applications and certification actions that do not require a State Agency (SA) survey. The MACs are now processing changes on the enrollment application and eliminating the current approval recommendation, which is currently made to the CMS locations by the MACs. The MACs coordinate directly with the SA *and Accrediting Organizations (AOs)*, when necessary. CPI/PEOG will be responsible for signing applicable provider agreements on behalf of CMS.

As of the release date of this update, CMS has streamlined and transitioned several certification activities, including Changes of Ownership (CHOWs); Administrative Changes (relocations, additional sites, and services, etc.); and Initial Enrollment. For additional guidance, please visit Admin Info 22-02-ALL <https://www.cms.gov/files/document/admin-info-22-02-all-revised-05192022.pdf>.

Additional Guidance for Voluntary Terminations:

CMS has created a Standard Operating Procedure (SOP) for use by the CMS Locations and SAs related to the processing of voluntary terminations. The process outlines the three common types of voluntary terminations 1) Provider initiated: Sent to the MAC directly; 2) Provider initiated: Sent to the SA or CMS Location directly; or 3) identified by the SA or Accrediting Organization (AO).

The intent behind this SOP is to provide direction to the CMS locations, SAs, and Accrediting Organizations (AO). The Center for Program Integrity (CPI)/Provider Enrollment Oversight Group (PEOG) has collaborated with SOG in the development of this guidance. Corresponding guidance has been issued to the MAC as it relates to the processing of voluntary terminations. The MACs are primarily responsible for processing voluntary terminations and cessations of business. **CMS Locations will remain responsible for processing involuntary terminations** and forwarding to MACs for revocation of their billing privileges.

The following actions requiring a survey will commence once all the above actions have been implemented. The next certification transition will consist of certified provider/supplier enrollment applications and certification actions that require a survey to be performed by the SA. The MACs will process the enrollment applications and coordinate directly with the SA, when necessary. CPI/PEOG will be responsible for signing the applicable provider agreements on behalf of CMS. The following certification actions will be included in this phase:

- Initials
- Relocations, additions, deletions
- Branch additions, deletions
- Bed changes
- Expansion and reduction of stations (ESRD)
- Waivers (ESRD)

Implementation & Training:

The voluntary termination transition was implemented on July 27, 2020. The SOM Chapter 2 and 3 sections that provide instruction on voluntary terminations is revised (see R201SOMA and R202SOMA). The transition of the remaining enrollment certification functions are projected to be implemented throughout CY2020 and CY2021. Full implementation is projected to be completed by the end of CY2021. This incremental transition of work is based on the type of work that is to be performed with tasks of increased complexity occurring later in the transition. It also allows for best practices and lessons learned along the way from previous implementation phases.

SOM and PIM updates will be released periodically throughout the year in accordance with the implementation rollouts. Education & outreach activities for stakeholders (SAs, CMS & the MACs) will be developed for each transition of work and hosted prior to implementation. The webinars will be hosted as a “live” webinar and then archived in the Quality, Safety and Education Portal (QSEP). **The first training on the transition of the voluntary termination work occurred on Thursday, February 27, 2020 from 1:00-3:00 p.m. Eastern Standard Time** and was posted in the Quality, Safety and Education Portal (QSEP) on June 30, 2020.

Contact: If a SA requires contact information for the MACs, please contact your CMS Location.

For additional questions or concerns relating to this memorandum, please contact ProviderEnrollment@cms.hhs.gov.

Effective Date: *Immediately*. This information should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators immediately following this memorandum.

/s/

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Attachment- CMS Standard Operating Procedures for Processing Voluntary Terminations

CMS
Standard Operating Procedure (SOP) for Voluntary Terminations
(Certification Enrollment Transition Work)

PURPOSE: The intent behind this Standard Operating Procedure (SOP) is to provide direction to the Survey Operations Group (SOG) locations, State Survey Agencies (SAs), Accrediting Organizations (AO). The Center for Program Integrity (CPI)/Provider Enrollment Oversight Group (PEOG) has collaborated with SOG in the development of this guidance. Corresponding guidance has been issued to the Medicare Administrative Contractors (MAC) as it relates to the processing of voluntary terminations. This includes responsibilities for updating the national database system (e.g. ASPEN).

APPLICABILITY: This SOP applies to 17 Medicare-participating facilities (Ambulatory Surgical Centers (ASCs); Community Mental Health Centers (CMHCs); Comprehensive Outpatient Rehabilitation Facilities (CORFs); Critical Access Hospitals (CAHs); End-Stage Renal Disease (ESRD) Facilities; Federally Qualified Health Centers (FQHCs); Home Health Agencies (HHAs); Hospices; Hospitals; Clinics, Rehabilitation Agencies, and Public Health Agencies as Providers of Outpatient Physical Therapy and Speech-Language Pathology Services (OPT/OSP); Portable X-Ray (PXR); Religious Nonmedical Health Care Institutions (RNHCIs); Rural Health Clinics (RHCs); Skilled Nursing Facilities (SNF); Transplant Programs; and Inpatient Prospective Payment System (IPPS) Excluded Units. *This SOP also now applies to Rural Emergency Hospitals (REHs).*

NOTE: Excluded are Medicaid-participating facilities, which are Psychiatric Residential Treatment Facilities (PRTFs); Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID); and Nursing Facilities (NFs) *as these are Medicaid-only facilities in which the SMA and SA manages voluntary terminations. Excluded are* Organ Procurement Organizations (OPOs) which are managed by the CMS Locations.

BACKGROUND: Over the next year, CMS will continue to conduct activities related to the transition of the provider enrollment related segments of the certification work to PEOG and the MACs. Specifically, CMS will transfer some survey and certification provider enrollment functions for certified providers/suppliers to the CPI/PEOG and the MAC. The processing of voluntary terminations and cessations of business was transitioned effective on July 27, 2020. If the CMS Location/SA receives a voluntary termination notification directly from the facility after July 27, 2020, forward to the MAC for processing.

For Voluntary Terminations (See 42 CFR §489.52):

1. A provider that wishes to terminate its agreement, should send written notice of its intention to the MAC. Often, however, notice is sent to the State Agency or CMS Location. (The notice should be submitted on a document with the facility or corporate letterhead and signed by an Authorized Official or Delegated Official found in Sections 15 & 16 of the CMS Form 855A)
2. The notice should state the intended date of termination. The termination date should be the first day of the month. However, CMS has the discretion to accept the date provided by the facility, if not on the 1st day of the month.

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TERMINOLOGY & IMPORTANT NOTES FOR ALL:

- SAs are expected to check with their enforcement component within the SA, to determine if there is an open enforcement cycle **before cases are transferred to the MAC** for processing. **In the event the facility has an open enforcement cycle, the CMS Location is responsible for processing the termination action because this is considered a voluntary termination under threat of involuntary termination (see below).**
- The MACs are only primarily responsible for processing voluntary terminations and cessations of business. CMS SOG Locations will remain responsible for processing involuntary terminations and forwarding to MACs for revocation of their billing privileges.
- **Documentation:** Letters or other notices of the provider/supplier's voluntary termination received directly by the SA are sent to the MAC. Letters or other notices are sent to the MAC via email, and the CMS 1539 may be uploaded in the national database system (e.g. ASPEN).
- **Calendar v. Business Days:** Unless otherwise specified in regulation, State Operations Manual or the Program Integrity Manual (PIM), for the purposes of this SOP, the intent is calendar days.

Voluntary Terminations (Three Types):

1. Provider initiated: Sent to the MAC directly
2. Provider initiated: Sent to the SA/AO or CMS Location directly
3. SA or AO identified: Discovered by the SA or AO as the result of a recertification survey or by the SA as a result of a complaint investigation. (This is also referred to as a Cessation of Business.)

NOTE: The SAs are the first POC for most voluntary terminations for certified providers/suppliers. If the AO receives a request, the AO is required to notify the SA and SA will follow the process outlined, as if the SA received the original request (see below instructions)

How to determine a Voluntary Termination:

1. **Voluntary Termination (withdrawal or closure):** This occurs when the owner of the Medicare provider agreement decides it no longer wishes to participate in the Medicare program and notifies the MAC, SA, and/or CMS. For a voluntary termination based on withdrawal, the facility is still operating and providing care but does not accept/bill Medicare. For a voluntary term based on **closure**, the facility completely stops operations, is no longer providing care/services to any recipients, and has discharged all current recipients.

NOTE: MACs will have primary responsibility for processing *provider requested* voluntary terminations.

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2. Voluntary Termination under a Threat of Involuntary Termination (CMS Location responsibility for processing): The facility is requesting a voluntary withdrawal while CMS has enforcement actions pending, which may include potential termination for non-compliance.

The effective date for withdrawal from Medicare must be before the involuntary termination date. The facility will have to meet reasonable assurance prior to re-entering the program.

****In situations where involuntary termination is imminent and written notification from the facility to voluntarily withdraw from the Medicare program is received, there is usually negotiations between the facility and the CMS Location. A CMS 1539 will not be received from the SA. The SA may enter a CMS 1539 later to allow the action to be completed in national database system.**

3. Cessation of Business: In this instance, the facility is found to be non-operational by the SA or AO. This can usually be discovered when a survey is attempted. This could also be as a result of the surveyor identifying that the provider/supplier is no longer providing services at the location which is on the existing CMS Form 855.

If the surveyor determines that the facility is no longer open for business and has stopped providing services to the community; and no notice has been given to CMS or the SA, the voluntary termination based on cessation of business would be processed.

- The SA provides to the MAC the supporting documentation and recommendation (via 1539 for the SA) for a voluntary cessation of business.

NOTE: If the AO finds the facility to be non-operational, the AO will notify the SA, who in turn will follow the outlined process.

- Supporting documentation must include a written report of the findings of the attempted onsite survey with the following questions answered: Is the facility closed? Is it locked? Is there signage? Is the phone still in service? The SA or AO surveyor will determine what evidence is necessary on a case by case basis. (Note: supporting documentation may be on the CMS Form 2567, via revocation letters, or any other written report). **NOTE:** The AO must provide evidence documentation to the SA in its referral to the SA for processing.
- The MAC would attempt to contact the provider/supplier in the event it was determined that the facility was not providing services at the location, which is on the existing CMS Form 855 to confirm operating status. The provider/supplier has 10 days to respond to the MAC. If the provider/supplier responds and identified that the facility has relocated to another community, hires new staff, discharges patients, and/or is serving patients/clients/residents in a new service area, this would require updates to the CMS Form 855 and a cessation of business based on the existing CMS Form 855.

A facility may be **operational** and not have patients/clients/residents at the time the SA or AO conducts a survey or at any point in time. Failure to admit and have current census can be a trigger for the SA or AO surveyor to determine if cessation of business has

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occurred. However, care should be taken to ensure a facility has indeed ceased business prior to recommending termination.

NOTE: MACs will have primary responsibility for processing the action and notifying certified providers.

4. **Deactivation:** The facility's provider number is deactivated by the MAC due to inactivity of the provider number for billing purposes. Deactivation is not a voluntary termination. Deactivation means that the providers or suppliers billing privileges were stopped, but can be restored upon the submission of updated information (42 CFR 424.502). The reasons for deactivation of Medicare billing privileges may be found at 42 CFR 424.540.

No CMS Location action is necessary unless additional information is received which suggests there is a question of whether or not the facility is still open.

5. **Temporary Closure:** A temporarily closure is a process managed by the CMS Locations and the SA. This is a request by the facility to temporarily stop providing services to the community may result in a temporary closure. This typically happens for facilities undergoing renovations, during emergencies (natural or man-made, which may not be recognized under Section 1135(b)) or facility-specific circumstances. **Each request by a provider or supplier will be evaluated on a case by case basis** relative to the length of time the entity is requesting to be closed. It is the responsibility of the *CMS Location and the SA* to determine the length which could be appropriate for a temporarily closure based on the individual circumstances.

In all cases, once the facility has reopened, the SA will determine that the facility is operational.

NOTE: For deemed facilities, it is the facility's responsibility to notify the SA of a request to temporarily close. In the event the facility notifies the AO, the AO should redirect the provider/supplier to the SA or at a minimum, notify the SA to inform them of their accredited facility's request for temporary closure.

7. **State Licensure Actions:** These actions do not trigger a voluntary termination. They do not initiate a cessation of business.

PROCEDURES:

Note: Certified providers & suppliers must also complete the CMS 855 A or CMS 855 B, in addition to the termination notice when voluntarily terminating from Medicare program.

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Processing a Voluntary Termination when received by the SA:

1. When the SA receives a request for a facility's voluntary termination, the SA will verify in national database system if the facility is under an enforcement cycle. Once confirmed that the facility is not under an enforcement cycle, the SA will send the provider/supplier request to the MAC within 10 days, following the below process.

IMPORTANT NOTES:

- If the CMS Location receives the request for a facility's voluntary termination, the CMS Location would send to the SA for processing through the MAC via the SOP.
 - For deemed facilities, AOs should contact the SA for processing of the requested voluntary termination of the accredited facility.
 - If the MAC receives a request from a provider/supplier directly, the MAC must confirm there is no enforcement cycle via PEOG or the SA (see below process for when received by the MAC).
 - For SNFs, the SA will verify that requirements at §483.70(l) and at §483.15(c)(8) are met.
2. Upon receiving the SA recommendation, via the CMS 1539 and the supporting documentation, the MAC reviews the documents submitted to ensure that the SA recommendation supports the facility's written notice of intent.

NOTE: The MAC may need to reach out to the provider/supplier to request the CMS Form 855 before processing the voluntary termination.

3. The MAC reviews and approves the application and sends the termination letter to PEOG. The effective date of voluntary termination is generally identified by the provider/supplier, however, in the event it is not identified the MAC would follow the PEOG enrollment guidelines set the voluntary termination at no less than 30 calendar days but no more than 6 months from the time of the initial approval of the application (aligned with the requirements at 42 CFR 489.52(b)(1)) and 42 CFR 489.52(c).
4. The PEOG updates national database system, identifies any AO, and within 3 days sends that information back to the MAC.
5. The MAC sends the voluntary termination approval letter within normal processing timeframes and within 3 days of issuance of the final provider notification, copies will be sent to SA, AO (if deemed) and respective CMS Location.

IMPORTANT NOTES:

- There is no action required by the SA, CMS Location or AO once the MAC sends the termination letter. The SA and CMS Location may continue to retain records

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according to their State or CMS Location instructions. The MAC will retain a copy of the termination letter.

- The AO remains responsible for making any applicable updates to the ASSURE database.

Processing a Voluntary Termination when received by the MAC:

1. The MAC reviews and approves the application and sends the termination letter to PEOG for signature. PEOG will verify in national database system that the facility is not under any enforcement cycle.

IMPORTANT NOTES:

- If PEOG determines enforcement cycle exists, PEOG will forward the termination request to the CMS Location and copy the MAC to provide awareness that the termination request will be handled by the CMS Location, unless the CMS Location identifies that the voluntary termination should proceed by PEOG/MAC.
 - For SNFs, the MAC will verify with the SA that requirements at §483.70(l) and at §483.15(c)(8) are met.
2. The PEOG updates national database system, identifies any AO, and within 3 calendar days sends that information back to the MAC.
 3. The MAC sends the voluntary termination approval letter within normal processing timeframes and within 3 days of issuance of the final provider notification, copies will be sent to SA, AO (if deemed) and respective CMS Location.

IMPORTANT NOTES:

- There is no action required by the SA, CMS Location or AO once the MAC sends the termination letter. The SA and CMS Location may continue to retain records according to their State or Location instructions. The MAC will retain a copy of the termination letter in PECOS.
- The AO remains responsible for making any applicable updates to the ASSURE database.

Processing the Voluntary Termination Due to a Cessation of Business:

1. When the SA receives a request for processing a voluntary termination due to a cessation of business or determines the need for a voluntary termination as the facility was found not operational; the SA will verify in national database system if the facility is/was under an enforcement cycle. Once confirmed that the facility is not under an enforcement cycle, the SA will send the provider/supplier request to the MAC within 10 days following the below.

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IMPORTANT NOTES:

- For deemed facilities, AOs should contact the SA for processing a voluntary termination of the accredited facility based on cessation of business.
 - For SNFs, the SA will verify that requirements at §483.70(l) and at §483.15(c)(8) are met.
2. The SA will provide documentation via the CMS-1539 form to notify the MAC if the provider/supplier has ceased operations or the provider's license has been revoked (SA licensure not Medicare privileges) or denied for renewal.
NOTE: For deemed facilities, the AO notification should be provided to the SA to send to the MAC.
 3. The MAC will determine if the provider/supplier has submitted a change of address or billed for Medicare services within the past 6 months. (If the provider did submit a change of address or billed for services, the MAC will notify the SA within 10 days and provide approval documentation for the new location).
 4. If the MAC determines the provider/supplier did not submit a CMS 855 for a change of address and has not billed within the past 6 months, the MAC will send a Cessation of Business letter to the Provider.
 5. If the provider/supplier responds and informs the MAC that they have not ceased operations but have relocated, the MAC in conjunction with PEOG will notify the SA to determine whether to continue with termination based on not having an accurate/updated CMS 855. The SA will make the determination whether to conduct the survey at the provider/supplier location or proceed with termination.
 6. If the MAC proceeds with deactivation in PECOS the MAC sends the voluntary termination letter to PEOG.
 7. The PEOG updates national database system, identifies any AO, and within 3 days sends the information back to the MAC. The MAC sends the voluntary termination letter to the provider. Within 3 days the MACs sends a carbon copy to the SA, AO (if deemed) and respective CMS Location.

NOTE: The AO remains responsible for making any applicable updates to the ASSURE database.

REMINDERS:

- The discharge date of patients is not necessarily the actual termination date. The provider/supplier determines the date or the MAC identifies the date if not specified.

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- Providers should be directed to 489.52(a)(1) and (2) when requesting information about voluntarily terminating from the Medicare program.
- The following documents may be received prior to processing a voluntary term:
 - SA recommendation on CMS 1539
 - Written notice from provider
 - MAC letter acknowledging withdrawal and CMS 855A/855B
 - Facility's Notice published 15 days prior to the effective date of the voluntary termination.
- Always check national database system to ensure that the facility is not under threat of involuntary termination or enforcement. If a closure date is being entered into the national database system when there is an open enforcement cycle.
- If the facility does not select an effective date, CMS will set a date that will not be less than 30 calendar days and more than 6 months from the date on the provider's notice of intent. (42 CFR 489.52(b)(1))
- Voluntary Terminations do not require the SA or CMS Locations to contact CMS Baltimore or process the posting of a notice announcing the termination. The provider/supplier is obligated to notify the public of the voluntary termination at least 15 days before the effective date of termination in accordance with the requirements outlined at 42 CFR 489.52(c).
- There is no action required by the SA, CMS Location or AO once the MAC sends the termination letter. The SA and CMS Location may continue to retain records according to their State or CMS Location instructions. The MAC will retain a copy of the termination letter.