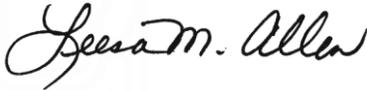




<b>ISSUE DATE</b>  August 4, 2016	<b>EFFECTIVE DATE</b>  August 4, 2016	<b>NUMBER</b>  99-16-13
<b>SUBJECT</b>  Assignment of ACA Categorical Risk Levels and the Implementation of Site Visits	<b>BY</b>   Leesa M. Allen, Deputy Secretary Office of Medical Assistance Programs	

**IMPORTANT REMINDER:** All providers must revalidate their MA enrollment every 5 years. Providers should log into PROMISe to check their revalidation date and submit a revalidation application at least 60 days prior. Enrollment (revalidation) applications may be found at [http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S\\_001994](http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S_001994). Providers who enrolled on or before SEPTEMBER 25, 2011 must complete the revalidation process as soon as possible. DHS must complete the revalidation for all providers enrolled on or before September 25, 2011 by September 25, 2016.

**PURPOSE:**

The purpose of this bulletin is to inform providers that the Department of Human Services (Department) is assigning providers to categorical risk levels as required by the Affordable Care Act (ACA) and conducting provider site visits based on the provider’s assigned categorical risk level.

**SCOPE:**

This bulletin applies to all providers enrolled, or seeking to enroll, in the Medical Assistance (MA) program.

**BACKGROUND:**

Section 1866(j)(1)(A) of the ACA requires the Secretary of the Department of Health and Human Services (DHHS) to determine the level of screening of providers to be conducted according to the risk of fraud, waste and abuse with respect to the category of the provider. Depending on the risk of fraud, waste and abuse the screening of providers may include unscheduled and unannounced site visits, including pre-enrollment site visits.

The DHHS regulations that implement Section 1866(j)(1)(A) can be found at 42 CFR § 455, Subpart E – Provider Screening and Enrollment. Section 455.450 requires a State Medicaid agency to screen all initial applications, including applications for a new practice location, and any applications received in response to a re-enrollment or revalidation of an

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at  
<http://www.dhs.pa.gov/provider/healthcaremedicalassistance/index.htm>

enrollment request based on a categorical risk level of “limited,” “moderate,” or “high.” When a provider fits within more than one risk level, the highest level of screening is to be applied.

Section 455.432 requires Medicaid programs to conduct pre-enrollment and post-enrollment site visits of providers who are designated as “moderate” or “high” categorical risks to the Medicaid program. Section 455.410 allows a State Medicaid agency to rely on the results of the provider screening performed by Medicare or another State’s Medicaid program or Children’s Health Insurance Program (CHIP). The provider must permit the Centers for Medicare and Medicaid Services (CMS), its agents or designated contractors, or the State Medicaid Agency to conduct unannounced on-site visits of any and all provider locations.

CMS released the Medicaid Provider Enrollment Compendium (MPEC), which provides sub-regulatory guidance to State Medicaid agencies on how to comply with Federal regulations relating to provider screening and enrollment. The MPEC instructs states that provider types existing in both Medicare and Medicaid should be assigned the same risk category or a higher risk category than the provider is assigned by Medicare. The MPEC also includes a list of providers assigned to the “limited”, “moderate,” or “high risk” categories by Medicare. In addition, the MPEC instructs that provider types existing in only Medicaid should be assigned an appropriate risk level by assessing if the provider type presents an increased risk of fraud, waste or abuse.

## **DISCUSSION:**

The Department has assigned provider types that exist in both the Medicare and MA programs the same categorical risk levels that the provider type is assigned in the Medicare program. For provider types that only exist in the MA program (MA only providers), the Department assigned the categorical level of risk based on the Department’s assessment of the level of increased risk of fraud, waste or abuse associated with the provider type and specialty.

The Department may adjust the provider’s assigned risk level if they are determined to be at increased risk of fraud, waste or abuse. (e.g. “limited” risk to “moderate” risk and from “moderate” risk to “high” risk).

The Department will conduct unannounced pre-enrollment and post enrollment site visits of providers that have been assigned to the “moderate” or “high” risk categories unless the provider is enrolled in Medicare or another state’s Medicaid or CHIP program.

The Department will rely on the screening conducted by Medicare and will not conduct a site visit when the following conditions are met:

- enrollment information provided to the Department by the provider is the same as the provider’s information contained in Medicare’s enrollment record;
- provider’s Medicare enrollment is in an “approved” (active) status;
- the provider’s Medicare assigned risk category is equal to or exceeds the Department’s risk category for the provider; and
- the date of Medicare’s last screening of the provider occurred on or after March 25, 2011.

The Department will also rely on the screening conducted by another state and will not conduct a site visit when the following conditions are met:

- the provider is in an “approved” (active) enrollment status in another state’s Medicaid or CHIP program;
- the other state’s Medicaid or CHIP program enrolled or revalidated the provider within the previous 5 years; and
- the other state’s Medicaid or CHIP program performed a site visit.

If the Department cannot rely on the Medicare or another state’s Medicaid or CHIP program screening and site visit, the Department will conduct a site visit. If the Department is unable to perform an on-site visit, the Department or the Department’s contractor may employ video telephony technology to conduct the site visit in another state.

### **PROCEDURE:**

Attached to the bulletin is a list of MA program provider types and specialties to which the Department has assigned the “moderate” or “high” categorical risk level for purposes of provider screening. Provider types and specialties not on the list will be assigned to the “limited” categorical risk level.

In addition, a provider will be assigned to the “high” risk category when any of the following occurs:

- the provider is a newly enrolling provider of home health services or durable medical equipment supplies;
- a payment suspension was imposed on the provider based on a credible allegation of waste, fraud or abuse;
- the provider has been excluded by the United States Department of Health and Human Services, Office of Inspector General or another state’s Medicaid program within the last 10 years;
- the provider is applying to enroll in the MA program or is revalidating and has an outstanding overpayment due to the Department that is greater than \$1,500 and more than 30 days old, was not repaid at the time the application was filed, is not being appealed, and is not part of an approved repayment schedule; or
- the provider is applying for enrollment in the MA program within 6 months after a federally imposed moratorium has been lifted.

Providers are required to permit the Department and its contractors to conduct unannounced on-site visits of any and all provider locations.

The Department or the Department’s contractors will conduct a pre-enrollment site visit when a provider applies for enrollment or re-enrollment in the MA program or revalidates the provider’s enrollment in the MA program.

The Department or the Department’s contractors will conduct a post enrollment site visit after the provider has been enrolled or revalidated in the MA program. The post enrollment site visit will be conducted before the provider’s next revalidation date.

When the Department or the Department's contractors conducts a site visit, the Department or the Department's contractors will attempt to visit the provider during hours when the provider is open for business. If the provider is closed, the individual conducting the site visit will try to determine the hours the provider is operational and attempt another site visit when the provider is open for business.

The Department or the Department's contractors will take photographs of the provider's place of business in order to provide the Department information about the operational status of the provider.

## **REFERENCES AND RESOURCES:**

### ***Department Resources***

Provider Enrollment and Screening Requirements of the Affordable Care Act

<http://www.dhs.pa.gov/provider/providerenrollmentandscreeningrequirementssoftheaffordablecareact/index.htm>

### ***Federal Resources***

Medicaid Provider Enrollment Compendium

<https://www.medicaid.gov/affordablecareact/provisions/downloads/mpec-032116.pdf>

Information about the ACA provision relating to Medicaid

<http://www.medicaid.gov/affordablecareact/affordable-care-act.html>

Sub-Regulatory Guidance for State Medicaid Agencies

<https://www.medicaid.gov/affordablecareact/provisions/sub-reg-guidance.html>

## **ATTACHMENT:**

Provider Type/Provider Specialty Combination Categorical Risk Levels

Provider Type/Provider Specialty Combination  
Categorical Risk Levels

Provider Type Code	Provider Type Description	Specialty Code	Specialty Description	CMS RISK LEVEL
4	Rehabilitation Facility	41	Comprehensive Outpatient Rehab Facility	Moderate
5	Home Health	50	Home Health Agency	Moderate**
5	Home Health	51	Private Duty Nursing	Moderate**
6	Hospice	60	Hospice	Moderate
11	Mental Health / Substance Abuse	111	Community Mental Health	Moderate
11	Mental Health / Substance Abuse	113	Partial Psych Hospitalization Children	Moderate
11	Mental Health / Substance Abuse	114	Partial Psych Hospitalization Adult	Moderate
17	Therapist	170	Physical Therapist	Moderate
17	Therapist	176	Physical Therapy / Early Intervention (E	Moderate
17	Therapist	576	Preschool Early Intervention Physical Therapy	Moderate
25	Dme/Medical Supplies	250	Dme / Medical Supplies	Moderate**
25	Dme/Medical Supplies	251	Prosthetist	Moderate**
25	Dme/Medical Supplies	252	Orthotist	Moderate**
25	Dme/Medical Supplies	253	Optician	Moderate**
26	Transportation	260	Ambulance - Basic Life Support	Moderate
26	Transportation	261	Ambulance - Advanced Life Support	Moderate
26	Transportation	262	Air Ambulance	Moderate
26	Transportation	265	Para-Transit	Moderate
28	Laboratory	280	Independent Laboratory	Moderate
29	X-Ray Clinic	290	Idtf	Moderate
29	X-Ray Clinic	291	Mobile X-Ray Clinic	Moderate
59	Attendant Care/OLTL provider	50	Home Health Agency	Moderate**
59	Attendant Care/OLTL provider	250	DME / Medical Supplies	Moderate**
** Newly enrolling PT/Specialties are high risk.				