

# Licensing and Certification for Long Term Care

Page updated: September 2020

This section includes licensing and certification policies pertaining to facilities. Title 22, California Code of regulations (CCR), Section 51120.5 defines nursing facility as a facility that is licensed as either a skilled nursing facility or an intermediate care facility.

**Note:** Nursing Facility Level A (NF-A) replaces Intermediate Care Facility (ICF) references, and Nursing Facility Level B (NF-B) replaces Skilled Nursing Facility (SNF) references. *Code of Federal Regulations* (CFR), Title 42, Section 440.155 (a)(1) defines nursing facility services as those provided in a facility that “fully meets the requirements for a State license to provide on a regular basis, health-related services to individuals who do not require hospital care, but whose mental or physical condition requires that - (i) are above the level of room and board; and (ii) can be made available only through institutional facilities[.]”

Federal law allows continuity of care protections for individuals to receive medically necessary intermediate care services at the NF-B where they are receiving medically necessary skilled nursing services. If a Medi-Cal beneficiary needs intermediate care services, but the NF-B facility is not licensed to provide intermediate care, the facility can arrange for transfer to a facility that provides intermediate care services if the beneficiary is ready for transfer and there are beds available in that facility. While the beneficiary is awaiting transfer, the NF-B shall continue to provide medically necessary services to the beneficiary until another facility is available.

## Licensing

### **Change of Ownership: 60-Day Prior Notification**

To avoid delays caused by a change of ownership and to ensure continuity of Medi-Cal coverage for recipients in skilled nursing and intermediate care facilities, the new owner must notify the local Department of Health Care Services' (DHCS) Facility Licensing District Office and the appropriate Medi-Cal field office 60 days prior to the ownership change. The appropriate Medi-Cal field office is determined as follows:

<b>Facility</b>	<b>Medi-Cal Field Office</b>
NF-A and NF-B	San Bernardino
Subacute (Pediatric and Adult)	San Francisco
ICF-DD, ICF-DD/H and ICF-DD/N	Local office

The Licensing Section will submit notice of the owner's application to the DHCS Provider Enrollment Section (including the necessary certification package) for their use in issuing a provider agreement to the new owners.

#### Prior Owner's License Null and Void on Day New Owners Take Legal Possession

Because a new owner of a long term care facility has a right to legal possession on the day of the purchase of the facility clears escrow, the license held by the prior owner becomes null and void on that date.

The new owner does not need to submit new *Treatment Authorization Requests* (TARs) to replace ones that have already been approved on the provider number of the previous owner. The new owner will simply enter dates of service on the *UB-04* claim form beginning the day ownership takes effect using the new facility name and provider number. All new admissions and re-authorizations must be submitted using the new facility name and provider number.

#### «Provider Number Change:

Any time a provider number is changed, a new electronic application/agreement form must be submitted. In order to enroll in Medi-Cal, providers must submit an e-Form application using the [Provider Application and Validation for Enrollment \(PAVE\) Provider Portal](#) which is an improved web-based alternative to the former paper application enrollment process.

For assistance with the application process, practitioners may contact the Provider Enrollment Division (PED):

Visit the [PED web page](#) and select the Inquiry Form link under "Provider Resources" for the PED Online Inquiry Form. The Medi-Cal Provider Portal can be used to set up a new provider organization.»

## **Facilities Certification**

### **Distinct-Part Hospital**

Distinct-part hospitals must be Medi-Cal-certified at each level of care to receive reimbursement for acute, NF-A and NF-B care services.

#### **Medi-Cal Billing Requirements**

The following Medi-Cal billing requirements must be met for a distinct-part hospital to bill as a long-term care facility:

- An acute care facility may not bill for NF-A or NF-B care unless certified.
- For a patient stay to be considered reimbursable, the Medi-Cal recipient must be placed in that section of the facility certified for the level of care authorized by the Medi-Cal consultant.

Procedures for submission of TARs and *UB-04* claim forms will remain the same as outlined in the appropriate sections of this manual.

**Note:** Refer to the *TAR Criteria for DP/NF Authorization (Hudman v. Kizer)* section in this manual for further billing requirements.

## **Special Treatment Program for the Mentally Disordered – Developmentally Disabled Program**

Facilities wishing to participate in the Special Treatment Program (STP) for the Mentally Disordered in an NF-B, or to maintain patients at the ICF/DD-H or ICF/DD-N level of care (Developmentally Disabled Program), must be certified by the Licensing and Certification Section of DHCS.

### «Form DHCS 0231: Patient Eligibility

The *Certification for Special Treatment Program Services* form (DHCS 0231) is used to confirm a patient's eligibility for the following:»

- Special Treatment Program for the Mentally Disordered in an NF-B
- Intermediate Care Facility for the Developmentally Disabled Habilitative (ICF/DD-H) level of care
- Intermediate Care Facility for the Developmentally Disabled Nursing (ICF/DD-N) level of care

### Ordering Forms

«The *Special Treatment Program Services* form (DHCS 0231) can be located on the Forms page of the Medi-Cal Providers website.»

### Confirmation and Certification Period

«For the STP, form DHCS 0231 must be certified by the local mental health director or the designated representative. For the ICF/DD-H or ICF/DD-N level of care, form DHCS 0231 must be certified by the regional center director.»

Certification may be granted for a period of up to four months for the STP and six months for ICF/DD-H or ICF/DD-N. The local mental health director, the designated representative, or the regional center director assess new patients within a reasonable amount of time. «When the certified period has expired, the patient must be re-assessed and a new form DHCS 0231 must be filled out and signed by the appropriate agency.»

### Submitting With a TAR

«Submit form DHCS 0231 with both initial and reauthorization TARs. All subsequent DHCS 0231 forms must be retained on file by the facility.»

### Readmission and New Certification

«Any patient assessed for the STP or ICF/DD-H or ICF/DD-N level of care who is discharged and subsequently readmitted must be re-assessed. A new form DHCS 0231 must be filled out and submitted with a new TAR.»

## **Medical Care Evaluation (MCE) Studies**

NF-Bs are responsible for conducting and documenting the results of Medical Care Evaluation (MCE) studies as required by Code of Federal Regulations (CFR), Title 42, Sections 456.341 through 456.345. The requirement will be monitored by the Department of Health Care Services (DHCS) and the United States Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) reviewers.

Federal regulations require that in each calendar year one MCE study must be completed and one must be in progress at all times. The Inspection Of Care (IOC) team from the local Medi-Cal field office monitors that NF-Bs have met the requirements for MCE studies. Team findings are then reported in the annual facility report. The Department's Licensing and Certification Division (LCD) survey team also includes a review of these MCE studies, which are performed to promote the most effective and efficient use of available health facilities and services consistent with patient needs and professionally recognized standards of health care.

NF-Bs are reminded that they must establish and maintain a file that clearly documents the MCE study in progress and those completed. NF-Bs should appoint a health professional who has responsibility for conducting MCE studies. The file should also identify the subject/diagnosis of studies in process or completed.

Providers may contact their local LCD or Medi-Cal field office if they have questions.

## **Staff Certification**

### **Physician Recertification**

Long Term Care providers must ensure that attending physicians certify the level of care and plan of care (see the *Patient Plans of Care for Long Term Care* section in this manual) on certification forms developed by DHCS. The *Skilled Nursing Facility/Intermediate Care Facility Physician Recertification For Medi-Cal* form is located at the end of this section. A copy of this form must be completed for each recipient and maintained in a log at the facility and organized alphabetically by recipient name.

### **TAR: Initial Authorization**

The *Long Term Care Treatment Authorization Request* (LTC TAR, 20-1) serves as the initial authorization for the level of care and plan of care for a patient. (See the *TAR Completion for Long Term Care* section of this manual). Recertification forms are required for a patient at specific time periods for both NF-As and NF-Bs.

### NF-A Patient Recertification

Recertification of NF-A patients is required 60 days after the initial certification and every 60 days thereafter.

### Intermediate Care Facility for the Developmentally Disabled Patient Recertification

Recertification of intermediate care facility for the developmentally disabled (ICF-DD, ICF-DD/H, ICF-DD/N) patients is required 60 days after the initial certification and every 60 days thereafter.

### **Certified Nurse Assistant Recertification:**

Facilities must verify the certification status of all Certified Nurse Assistant (CNA) staff under employment. Applications for recertification may be requested from DHCS at the following address or by calling (916) 327-2445:

Department of Health Care Services  
Licensing and Certification  
Certified Nurse Assistant Program  
714/744 P Street  
P.O. Box 942732  
Sacramento, CA 94234-7320

DHCS is mandated by Title 22 of the *California Code of Regulations (CCR)* and *Health and Safety Code* 1338.8 to deny, suspend or revoke a CNA's certificate for any of the following reasons:

- Unprofessional conduct
- Acts of fraud or misrepresentation
- Abuse (physical, verbal, emotional, sexual)
- Theft or forgery
- Acts of fiscal dishonesty or moral turpitude
- Acts relating to the misappropriation of a patient's funds or personal property
- Acts that result in a federal enforcement action, or an "A" or "AA" citation written against a health care facility and upheld by the DHCS Citation Review Unit.

For a list of CNAs with revoked or suspended certification, refer to the *Medi-Cal Suspended and Ineligible Provider List (S&I List)* available on the Internet at [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov).

## Course Materials for Nurse Aides

Medi-Cal LTC facilities that operate an approved facility-based nurse aide certification program are not permitted to charge nurse aides for textbooks and other required course materials. The cost of these training materials should be reported in the *Long Term Care Facility Integrated Disclosure and Medi-Cal Cost Report* and is a component of the Medi-Cal reimbursement rate. The *Accounting and Reporting Manual* for California LTC facilities contains requirements for reporting the costs of these instructional materials.

This policy applies only to facility-based certification programs and does not apply to community-based programs, such as community college or regional occupational programs.

## Competency Evaluation Program for Nurse Aides

The Omnibus Budget Reconciliation Act (OBRA) of 1987 (CFR, Title 42, Sections 483.150, 483.151, 483.154) requires all nurse aides who completed training on or after April 1, 1992, to also complete a state-approved competency evaluation program.

### Approved Programs

The following two programs are approved by the Licensing and Certification Program of the Department of Health Services to establish competency:

#### Chancellor's Office of California Community Colleges:

This program includes a skills demonstration and a written/oral test using a traditional pen and paper format for group testing. Six Regional Training Centers throughout California coordinate and develop contracts between facilities and local community colleges and Regional Occupational Programs (ROPs).

#### American Red Cross:

This program operates from the Los Angeles Chapter offices and includes a skills demonstration and a written/oral test with an interactive video disk format for individual aide testing, or a traditional pen and paper format for group testing. The Red Cross coordinates and develops contracts with facilities and other approved nurse aide training programs including ROPs.

### Facility Pays Test Fees

Nurse aides presently employed or with an employment offer from a facility are not charged for the training or competency evaluation program. The facility must arrange to pay for the test fees. Nurse aides not employed at the time of the testing, but hired by a facility within twelve months of establishing competency, will have the costs of the test reimbursed by the facility on a prorated basis.

## **Legend**

Symbols used in the document above are explained in the following table.

<b>Symbol</b>	<b>Description</b>
«	This is a change mark symbol. It is used to indicate where on the page the most recent change begins.
»	This is a change mark symbol. It is used to indicate where on the page the most recent change ends.