



COMMISSIONER
Adelaide Horn

March 20, 2009

To: Home and Community Support Services Agencies (HCSSAs)
Subject: Provider Letter #09-03 – Clarification of Administrative Support Sites (replaces PL 05-06)

Background

On November 12, 2004, the Centers for Medicare & Medicaid Services (CMS) clarified its position regarding home health agency (HHA) locations known as “drop sites.” Federal Survey and Certification (S&C) Memorandum #05-07 clarifies that CMS does not regulate or define an HHA drop site; the HHA drop site must comply with applicable state requirements and must not meet the definition of a branch (refer to S&C 05-07). It is the Department of Aging and Disability Services’ (DADS) opinion that this guidance applies to hospice as well as home health and personal assistance services.

The licensing standards for HCSSAs at Texas Administrative Code (TAC) Title 40, Part 1, Chapter 97 allow for an agency to operate administrative support sites. These sites are referred to, interchangeably, by agencies as drop sites, workstations, way stations, convenience sites or satellites and are used by the agency to meet a variety of functions.

In 40 TAC §97.2 (relating to Definitions), DADS defines an administrative support site as “a facility or site where an agency performs administrative and other support functions but does not provide direct home health, hospice or personal assistance services.” The regulations do not require an agency to have a license to operate an administrative support site.

In accordance with the definition of an administrative support site, the agency must not:

- accept referrals at the location;
- conduct scheduling activities;
- advertise or publish the location as a part of the agency;
- store active client records in the location; or
- operate it in any other way as a branch or alternate delivery site (ADS) of the agency.

An agency will be considered to be operating a branch or alternate delivery site (ADS) if it delivers any home health, hospice or personal assistance services from the location; keeps any active client records at the location; or advertises the location as a part of the agency.

1. Question:

Is an external sign considered to be advertising a location as part of the agency?

Answer:

Yes. The posting, use or distribution of marketing materials such as signage, brochures and business cards would be considered advertising the location as a part of the agency.

2. Question:

Would a corporate office that handles billing, human resource activities, agency compliance and inactive record storage be considered a branch/ADS or an administrative support site?

Answer:

This office would be considered an administrative support site.

3. Question:

Would an office that accepts paperwork, houses supplies for staff and serves as a location to drop off and pick up documentation, time slips, or paychecks be considered a branch/ADS or an administrative support site?

Answer:

This office would be considered an administrative support site.

4. Question:

Would an office that advertises the location as part of the agency, allows staff to utilize the space to complete documentation and coordinate patient care, is published as a call-back number for clients or patients, or accepts patient referrals be considered a branch/ADS or an administrative support site?

Answer:

This office would be considered a branch, according to both state and federal definitions.

5. Question:

May the agency staff use an administrative support site office to make telephone calls to the licensed agency parent or branch/ADS location in order to share necessary information or participate by telephone in a case conference?

Answer:

Yes. Agency staff may use an administrative support site office to make telephone calls to the licensed agency. The telephone calls are considered internal to the agency as the telephone is not being utilized to call outside entities to coordinate care. The staff may also use the administrative support site telephone to call the licensed agency when attending case conferences by telephone.

It is important for the agency to review its policies regarding alternate locations. The agency's policies on drop sites should reflect current federal and state requirements, including compliance with the Health Insurance Portability and Accountability Act of 1996 privacy requirements. While these sites are not subject to routine survey activity, they may be subject to state or CMS regional office (RO) inspection at any time. Any violation of the requirements would be addressed by the state survey agency and referred to the CMS RO for necessary program integrity investigation and follow-up.

If you have any questions regarding this provider letter, please contact a HCSSA program specialist in the Policy, Rules and Curriculum Development unit at 512-438-3161.

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

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