The referenced Centers for Medicare and Medicaid Services (CMS), Regional Survey and Certification (RS&C) Letter was issued on March 10, 2009. This letter, which was distributed by e-mail on March 12th, is being provided to you for information and action purposes and should be shared with all professional staff.

- RS&C Letter No. 09-01 – SNF/NF and NF Financial Information for Civil Money Penalties

If you have any questions, please contact a nursing facility program specialist in the Policy, Rules and Curriculum Development unit at (512) 438-3161.

Attachment
REGIONAL SURVEY AND CERTIFICATION LETTER NO. 09-01

To: All State Survey Agencies (Action/Information)
    All Title XIX Single State Agencies (Action/Information)

Subject: SNF/NF and NF Financial Information for Civil Money Penalties

42 CFR §488.438(f) and Section 7516B of the State Operations Manual (SOM) require the Centers for Medicare & Medicaid Services (CMS) and the State Survey Agency (SA) to consider a facility’s financial condition when determining the amount of a civil money penalty to impose. When we implemented the enforcement regulations in 1995, the Dallas Regional Office (RO) established the “average of 3 month's Medicaid reimbursement” as our indicator of a SNF/NF's or NF's financial condition. The SA must provide this information when a civil money penalty (CMP) is recommended for imposition by CMS.

This letter revises the CMP financial worksheet that CMS developed for the SA to utilize (see attachment 1) and provides instructions to the SA on how to attach the financial worksheet to an enforcement case. In order for CMS to meet regulatory obligations, the SA will enter the completed financial worksheet in the attachment section of Aspen Enforcement Manager (AEM) (see attachment 2).

When a CMP is recommended, the SA will enter the financial worksheet completed in AEM no later than seven days after the enforcement action is forwarded to the RO. In cases where the SA does not recommend a CMP and one is imposed by CMS, the RO will notify the SA (through AEM) to attach the worksheet in AEM. Please note this procedure will also be followed for cases where the financial worksheet has not been attached in the system within seven days. The SA notification will be found under the enforcement tab under the action items (see Figure 1). The notification will be titled “Attach Financial Worksheet”.

We appreciate your efforts and assistance in implementing the financial information instructions. The effective date of this RS&C letter is March 31, 2009. This ensures that the RO will have all the factors required to impose a civil money penalty and be in compliance with the regulation. If you have any questions or should you need more information regarding these instructions please contact Vilma Acosta at (214) 767-4460.

Sincerely,

David R. Wright
Associate Regional Administrator
Division of Survey and Certification

Attachments
FACILITY FINANCIAL CONDITION WORKSHEET

CMS must use an indicator of financial condition in order to impose a Civil Money Penalty - 42 CFR §488.438(f)

Date of Calculation: ________________
Facility Name: _______________________________________
CCN#/ENF#: ____________________ / __________________
Owner of the provider agreement: (please provide)

Add the last three (3) full months of Medicaid reimbursement and divide by 3:

Three month average Medicaid Reimbursement: ________________

Optional: any other pertinent financial information:

If you have questions, please contact (staff- phone number)

Thank you.
Notification to the SA to attach Financial Worksheet in AEM.

Figure 1 – AEM Explorer view
Attachment 2:

**Instructions on how to attach financial information to an AEM enforcement case:**

After completing and saving the “Facility Financial Condition Worksheet” in your computer (or remote/removable disk) please note the instructions below to attach this file into the system.

1. Please click on the attachments section on the bottom of the screen to attach the facility financial condition worksheet (Figure 2).

Figure 2.
2. A new window will open (Attachment Documents for case…). In the description column, please type “Financial Worksheet.” (Figure 3)

Figure 3

3. Click on the Attach/View column and locate the financial worksheet from where you saved it.
4. After the financial worksheet has been added to the case you can close the window.