



OPERATIONAL MEMO

Title: Nursing Facility (NF) and Intermediate Care Facility with Intellectual Disabilities (ICF-IID) Compliance and Post Payment Reviews	Topic: Quality Assurance
Audience: Nursing Facility, NF, Intermediate Care Facility with Intellectual Disabilities, ICF-IID	Sub-Topic: Provider Monitoring
Supersedes Number: HCPF OM 19-055, HCPF OM 19-056 and HCPF OM 23-028	Division: Operations and Administration Division
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Legal Authority: C.R.S. 25.5-4-301, C.R.S. 25.5-6-206, and C.C.R. 2505-10 Section 8.400 through 8.482	
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Purpose and Audience:

The purpose of this operational memo is to inform long-term care providers, specifically Nursing Facilities (NFs) and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IIDs), of the Department of Health Care Policy & Financing (HCPF) of the statutory requirements to perform various compliance reviews and post payment reviews.

Background:

Colorado Revised Statutes (CRS) 25.5-4-301, CRS 25.5-6-206, and HCPF rules in 10 CCR 2505-10, Section 8.400 thru 8.482 provides HCPF, NFs, and ICF-IIDs with guidance on compliance and post payment reviews. The Financial Compliance Unit within the Office of Community Living (OCL) performs these reviews.

CRS 25.5-4.301.2 authorizes HCPF to recover overpayments, add a Civil Money Penalty (CMP) equal to one-half the amount of the overpayment, and add interest on the sum of the two amounts accruing at the statutory rate from the date the overpayment is identified. In addition, HCPF may withhold subsequent payments to which the NF or ICF-IID is or becomes entitled and apply the amount withheld as an offset.

HCPF rule 10 CCR 2505-10, Section 8.443.15 requires NFs and ICF-IIDs to notify HCPF of change of ownership or change in tax id number (CHOWs). Notification should be submitted no less than 45 days from the expected effective date of the change. CHOWs trigger a closing review and may require withholding of limited payments until the closing review is completed. Any change in the 'doing business as' name should also be communicated to HCPF. Notifications can be sent to HCPF_LTC_Facilities@state.co.us, Christine.bates1@state.co.us or Cathy.Fielder@state.co.us.

HCPF rule 10 CCR 2505-10, Section 8.482.52.B requires NFs and ICF-IIDs to submit copies of new and/or renewed surety bonds (yearly renewal invoice with coverage dates) to HCPF within 15 days of the effective date each year. Surety bonds are required to be sufficient in value to cover the full balance of the resident personal need accounts at the facility. Surety bonds can be submitted via email to HCPF_LTC_Facilities@state.co.us.

Please refer to the rules for further requirements.

Information/Action to be Taken:

Communications between HCPF and NFs/ICF-IIDs are sent via email and encrypted email, when PHI is included in the communication.

All reviews are performed on a rotation basis determined by HCPF. Change of Ownership reviews are performed near the expected effective change date.

NFs/ICF-IIDs are required to maintain documents for six years. HCPF will request these documents and various accounting reports from the NFs/ICF-IIDs to validate the paid claims and compliance with the rules. If a change of ownership occurs, all member records and documents must be maintained by the facility (new owner) and

be available for review by HCPF. These documents and reports include but are not limited to:

- 5615 Form reflecting patient liability amount signed by the county or the yearly Cost of Living Adjustment (COLA) spreadsheet generated by the county
- Account Receivable transaction report reflecting all payment activity per resident
- Monthly Census Report reflecting resident status and payer source for each day
- Credit Aging report reflecting outstanding credits as of a specific date
- Personal Needs Account Monthly Bank Reconciliation
- Personal Needs Account Bank Statement
- Personal Needs Account third party reconciliation documents, if applicable
- Personal Needs Account Trial Balance/Summary Ledger
- Personal Needs Account Activity Ledger per resident
- Personal Needs Account Surety Bond
- PASRR Level 1 approval document
- PASRR Level II approval document and/or Notice of Determination (NOD) Letter
- Medical records

NFs and ICF-IIDs shall provide the name and email address of the current administrator and business office manager for their facility to HCPF. Current and any future changes in administrator or business office manager should be emailed to HCPF_LTC_Facilities@state.co.us.

NF and ICF-IID administrators will receive a certified letter and an encrypted email with the Notification and Request for Documentation letter from the OCL reviewer when a review is scheduled. NF or ICF-IID shall submit all requested documents via encrypted email or request a link to a secure Google Site for uploading documents to the assigned OCL reviewer by the specified date.

NF or ICF-IID administrators shall provide a point of contact to the OCL reviewer to assist with the review. OCL will generate various communications throughout the review with instructions and deadlines. The point of contact should notify the OCL reviewer in writing if a deadline will not be met and why. An extension may or may not be granted by the OCL reviewer.

Review results may require a written corrective action plan and/or response to preliminary questions. The NF or ICF-IID shall submit their response along with any additional supporting documents to the OCL reviewer. A final review letter with instructions will be sent to the facility. If monetary adjustments are identified during

the review, the NF or ICF-IID will have informal reconsideration and appeal rights per HCPF rule 10 CCR 2505-10, Section 8.050.

Attachment(s):

None

HCPF Contact:

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