



DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services

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**MEMORANDUM**

**Ref: S&C 02-13**

**DATE:** January 7, 2002

**FROM:** Director  
Survey and Certification Group  
Center for Medicaid and State Operations

**SUBJECT:** Services Provided by Home Health Agencies (HHAs)

**TO:** Associate Regional Administrators, DMSO  
State Survey Agency Directors

The purpose of this memorandum is to notify regional office and state agency personnel of a modification in our policy related to the types of qualifying services provided directly by employees of a Medicare approved home health agency (HHA). We are revising our policy, at section 2180 of the State Operations Manual (SOM), to require that a Medicare approved HHA must provide at least one qualifying service (i.e., skilled nursing, physical therapy, speech language pathology, occupational therapy, medical social services, or home health aide services) directly and in its entirety by employees of the HHA. The other qualifying services and any additional services may be provided either directly or under arrangement.

In the State Operations Manual Transmittal 25, effective April 15, 2001, we modified our guidance at section 2180 to require HHAs to provide one of three qualifying services (i.e., skilled nursing, physical therapy, or speech language pathology) directly by employees of the HHA. The other services provided by an agency could be provided directly or under arrangement.

Following the effective date of Transmittal 25, we received inquiries regarding the rationale for this policy change and the associated provider burden. We recognize this survey and certification qualifying service policy revision required some HHAs to make changes in how they provide services and these changes in HHA operations would take some time to implement. Based upon our review of historical Medicare home health program documents and the reported and unanticipated HHA operational implications of this policy change, we believe it is necessary to revise our policy and broaden the types of services that may be provided directly by an HHA.

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**Effective Date:** The information contained in this memorandum is current policy and is in effect.

**Training:** This policy should be shared with all survey and certification staff, surveyors, their managers, and the state/regional office training coordinator.

I hope this information is helpful to you. If you would like to discuss this further, please contact your regional office representative for HHAs.

/s/  
Steven A. Pelovitz