

**Voluntary  
Termination  
of the  
Medicare Provider  
Agreement**



**DISCLOSURE  
PACKET**

**Dear Nursing Home Administrator,**

Provisions specified in Section 6113 of the “Patient Protection and Affordable Care Act” (the Affordable Care Act) (Pub. L. 111-148) and amended sections 1128I and 1819 (h) of the Social Security Act require the nursing home administrator to notify the Secretary (CMS), the State Survey Agency (SSA), the State Medicaid Agency and the State Long Term Care (LTC) Ombudsman of the impending closure of a nursing home. The administrator is to provide notice a minimum of 60 days in advance of closure of the Skilled Nursing Facility (SNF) or Nursing Facility (NF). Advanced notification assures residents’ living in our nation’s nursing homes an opportunity to network with other prospective providers to locate quality health care services in a certified facility. Along with notice of closure, provide to CMS, the State and the LTC Ombudsman your facility’s closure plan which provides for the orderly relocation of residents. The plan must be approved by the State Agency before closure of the nursing home. The intent of this document is to provide some of the minimum requirements that should be addressed in your relocation plan. Submit the closure plan and all related documents to the State Survey Agency. Your earnest cooperation in sharing information with the State Agency during the voluntary closure is appreciated.

Regards,

***Sandra M. Pace, ARA***

Associate Regional Administrator  
Division of Survey & Certification



# VOLUNTARY CLOSURE OF NURSING HOMES AND TERMINATION OF THE MEDICARE PROVIDER AGREEMENT



Individuals serving as an administrator of a Skilled Nursing Facility or Nursing Facility are required to provide 1) written notification of the impending closure and 2) a plan for relocation of residents at least 60 days prior to the impending closure.

The Administrator must provide written notification prior to the impending closure to the:

- State Survey Agency
- State LTC Ombudsman
- Residents of the facility
- Legal representatives of the residents or other responsible parties.

The written notification must include:

- assurances that the residents will be transferred to the most appropriate facility or other setting in terms of quality, services, and location and
- taking into consideration the needs, choice and best interest of each resident.

*In addition*, the Administrator must provide a plan that has been approved by the State for the transfer and adequate relocation of the residents by a date that is specified by the State prior to closure.

See below for important information and suggestions to ensure a smooth facility closure:

- Written notification of the impending closure, specifying date of closure and disclosing the CMS certification number must be sent to the CMS regional office at least 60 days prior to the intended closure. Include the Nursing Home Tax Identification Number (TIN), Employee Tax Identification Number (EIN) in the voluntary closure letter, along with information about the current resident census.
- Attach a copy of your administrator's license number as specified with the Board of Licensed Nursing Home Administrators, to the closure letter as an attachment.
- Provide written notification as described above to the State Survey Agency, State LTC Ombudsman, residents of the facility and their legal representatives or other responsible parties.
- A copy of the closure letter is shared with the Division of Financial Management (check for overpayments/underpayments).
- Have a plan that has been approved by the State Agency for the transfer and adequate relocation of residents by the date specified by the State.
- Ensure that the facility does not admit new residents on or after the date the closure notice is submitted to the State Survey Agency, LTC ombudsman, and the residents, their representatives or other responsible parties.



Notify referral sources that the facility will not be able to admit new residents.

## State Agency Approved Closure Plan

- At a minimum the closure plan should specify what actions have been initiated to ensure the provision of nutritionally adequate meals, medications, treatments and activities of daily living (ADLs) to residents in accordance with their individualized plan of care during the 60 days prior to closure, and until the last resident is relocated.
- The closure plan should also address the provision of adequate staff to meet residents' needs until all residents have been discharged and relocated.
- Share with CMS, the State and LTC Ombudsman a resident roster which discloses the name of each resident, the location of where each resident was discharged or transferred, along with the complete address and telephone number of the receiving facility.



## Voluntary Termination of Medicare Agreement

A nursing home may voluntarily terminate from the Medicare program by checking the box entitled "Deactivation of Medicare Billing Number(s)" on the Form CMS-855A. The provider should send the Form CMS-855A to the FI/MAC for processing.

- The facility is required to publish public notice of voluntary closure of the facility in the newspaper 15 days before the closure takes place.

## Long Term Care Enforcement

- Disclose actions initiated by the facility to resolve any pending enforcement remedies (e.g. civil money penalties), including any appeals pending before the Departmental Appeals Board.
- Provide a forwarding address to CMS for the receipt of correspondence following closure and relocation of residents.
- Share copies of any new articles from local and major media sources regarding the closure with CMS.

## Other

- All correspondence related to the voluntary closure of the nursing home shall include the CMS certification number on the communication.
- You may desire to network with the nursing home association in your State, as well as the local chamber of commerce to host a job fair for employees impacted by the voluntary closure of the nursing home.

**Failure to adhere to the provisions of Section 6113 of the "Patient Protection and Affordable Care Act" and amended sections 1128I and 1819 (h) of the Social Security Act may result in the imposition of civil money penalties (CMPs) up to \$100,000 against the nursing home administrator.**