

# CMS Adds SNFs to “High” Screening Category, Greater Scrutiny of Change of Ownership and Provider Enrollment/Revalidation

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The Centers for Medicare and Medicaid Services (“CMS”) has effectuated multiple changes that directly impact the acquisition, development, and revalidation of skilled nursing facilities that participate in the Medicare program. These changes apply irrespective of whether the acquisition constitutes a change of ownership (“CHOW”) or a change of information (“COI”).

Most notably, CMS has added SNFs to the “high” screening category for purposes of provider enrollment, resulting in the following:

- A fingerprint-based criminal background check for direct and indirect owners of 5% or more of the SNF provider.
- Required site visit after the SNF provider receives recommendation of approval from the state or Survey & Operations Group Location.

Completion of fingerprinting and the corresponding criminal background check and site visit are required prior to the applicable Medicare Administrative Contractor (“MAC”) changing the SNF’s enrollment record to “Approved” status. This means billing privileges will **not** be granted until after all are successfully completed.

Unlike initial enrollments, CHOWs, and COIs, SNF revalidations will be processed at the “moderate” screening level; however, a site visit will still be required.

In addition, CMS has added officers, directors, and managing organizations to the scope of denial and revocation reasons. Meaning, if an officer, director, and/or managing organization is (1) excluded/debarred from federal programs or (2) convicted of a felony, either could be the basis of a SNF provider’s denial or revocation of billing privileges and participation in the Medicare or Medicaid program.

New definitions:

- Director - Means a director of a corporation, regardless of whether the provider or supplier is a non-profit entity. This includes any member of the corporation’s governing body irrespective of the precise title of either the board or the member; said body could be a board of directors, board of trustees, or similar body.

- Managing Organization - Means an entity that exercises operational or managerial control over, or who directly or indirectly conducts, the day-to-day operations of the provider or supplier, either under contract or through some other arrangement.
- Officer - Means an officer of a corporation, regardless of whether the provider or supplier is a non-profit entity.

### **What does this mean for SNF providers?**

Operationally, such changes will likely result in longer lead times for approval of initial enrollments, CHOWs, and COIs for SNF providers - and receipt of billing privileges and provider numbers. These changes will also require more work and coordination with respect to preparation of CMS-855As to report CHOWs and COIs.

Further, the foregoing changes signal CMS's ongoing and increased scrutiny of SNF providers. Greater diligence and strict adherence to the provider enrollment requirements and standards - including ongoing/future disclosure requirements following approval - is essential to ensure compliance with the conditions of participation.

Additional details concerning these changes can be found in the [Medicare Program Integrity Manual](#).

For more information regarding the above, please contact a member of the [Benesch Healthcare+ Practice Group](#).

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