



JEB BUSH, GOVERNOR

RHONDA M. MEDOWS, MD. FAAFP, SECRETARY

Dear Home Health Services Provider:

This letter is to inform you of changes in the surety bond requirements for home health agencies. The following surety bond policy will be effective January 1, 2002.

SURETY BOND – REQUIRED

A surety bond is required for home health agencies if there have been (within the past 5 years) or currently are sanctions or terminations (voluntary or involuntary) involved. This requirement is applicable to future terminations or sanctions of a home health agency.

Sanctions include, but are not limited to, any one of the following actions against a home health agency:

- disciplinary action as defined in Chapter 400.474, Florida Statutes (F.S.);
- administrative fine(s) as defined in Chapter 400.474 and 400.484, F.S.,

Terminations include, but are not limited to, any one of the following reasons:

- the denial, suspension, or revocation of license as defined in Chapter 400.474, F.S. and Chapter 400.484, F.S.
- provider termination at the request of Medicaid Program Integrity;
- “without cause” terminations initiated either by the Agency, Department of Elder Affairs, Department of Children and Families or the home health agency;
- noncompliance with the Conditions of Participation as defined in 42 Code of Federal Regulations (CFR) 484.1 through 484.55;
- noncompliance with licensure standards as defined in Chapter 59A-8, Florida Administrative Code;
- noncompliance with Medicaid provider requirements as defined in the Medicaid Provider Agreement; and
- noncompliance with Medicaid home health policy as defined in Chapter 59G-4.130, Florida Administrative Code.

Surety bonds required by this policy shall be in an amount “not to exceed \$50,000 or the total amount billed by the provider to the program during the current or most recent calendar year, whichever is greater” as specified in Chapter 409.907(7), F.S.

The home health agency shall comply with the surety bond requirement for three (3) consecutive years. If at the end of three years there has been no adverse action taken against the home health agency, it then becomes exempt from the surety bond requirement. However, the surety bond



requirement will be extended for another three (3) years from the date of any subsequent final order imposing sanctions. Each enrollment application must contain the original bond and the surety bond company must be licensed to transact business in Florida.

The home health agency must renew the bond annually unless a continuous bond is on file. Renewal must be made at least 30 days in advance of the termination date to ensure there is no break in services (termination because of an expired bond). If there is a gap in the bond coverage dates, there will also be a gap in payments for services that would otherwise be covered by the Medicaid program. The provider is responsible for maintaining current bond coverage.

Home health agencies operating under the same corporate tax identification number, that are enrolling more than one home health agency, may cover two or more home health agencies under one bond. A letter must accompany the bond listing the name, address, and Medicaid provider number of all enrolling home health agencies covered by the bond.

A surety bond is required if an enrolled home health agency, which is currently exempt from maintaining a surety bond, subsequently receives notice of a final order imposing sanctions. The Agency will send a certified, return receipt letter to the home health agency advising that a surety bond must be submitted within 30 days of receipt of the certified letter.

SURETY BOND – NOT REQUIRED

A surety bond is not required if the home health agency is owned and operated by a government entity.

After January 1, 2002, a surety bond is not required for a home health agency enrolling for the first time in the Medicaid program provided there have been no licensure terminations or sanctions within the last five years.

After January 1, 2002, home health agencies currently enrolled in the Medicaid program and without terminations or sanctions, described previously under surety bond requirements, are exempt from maintaining surety bonds. These providers may cancel their current surety bonds. If an enrolled home health agency is exempt, any subsequent programmatic or geographical expansions (including new home health agencies opened in different geographical areas) that are operating under the same corporate tax identification number are also exempt.

If you have questions pertaining to home health provider enrollment issues, please contact Ms. Yolanda Siples at (850) 922-7344.

Sincerely,

Bob Sharpe
Deputy Secretary for
Medicaid