



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

March 23, 2005

AFL 05-09

TO: HOME HEALTH AGENCIES

**FROM: CALIFORNIA DEPARTMENT OF HEALTH SERVICES
LICENSING AND CERTIFICATION PROGRAM**

SUBJECT: CLARIFICATION OF HOME HEALTH AGENCY “DROP SITES”

On November 12, 2004, the Centers for Medicare and Medicaid Services (CMS) released Survey and Certification (S&C) Memorandum 05-07, “Home Health Agency (HHA) Drop Sites.” The S&C clarifies that CMS does not regulate or define “drop sites” and that the function of a “drop site” does not meet the Federal definition of an HHA branch or subunit. The S&C also clarified that an HHA must comply with applicable state and local law. The S&C Memorandum is enclosed for reference.

The purpose of this All Facility Letter is to provide clarification of State law related to “drop sites.” An HHA “drop site” is not regulated or defined by State regulation or statute. Therefore, a “drop site” is not prohibited as long as the HHA is licensed by the Department of Health Services (DHS), and the function of the “drop site” does not meet the State definition of an HHA parent or branch. An HHA parent is defined as the primary home health agency which establishes, maintains and assures administrative and supervisory control of branch offices. A branch is defined as a home health agency established and administered by a parent home health agency, providing services within a portion of the total service are served by the parent agency.

Unacceptable uses of “drop sites” include but are not limited to: assigning staff to the “drop site” locations, accepting referrals at a “drop site” location, advertising a “drop site” as part of the HHA, and operating the “drop site” as a parent or branch of an HHA. A “drop site” is not subject to routine surveys; however, it may be subject to State inspection at any time.

If an HHA utilizes a “drop site,” the HHA’s policies on “drop sites” should reflect current Federal (if certified) and State requirements, including compliance with the Health Insurance Portability and Accountability Act (HIPAA).

AFL 05-09
Page Two
March 23, 2005

If you have any questions, please contact your local DHS Licensing and Certification District Office, or contact Carol Wegner, R.N., Program Policy Section, at (916) 552-8721 or by email at cwegner@dhs.ca.gov.

Sincerely,

**Original Signed by
Ruth I. Jacobs, RN**

Ruth I. Jacobs, Chief
Program Policy Section
Licensing and Certification Program

Enclosure