

Northeast Consortium/ Division of Survey & Certification

May 12, 2009

Ms. Terri Rowe, Administrator
Vermont State Hospital
103 South Main Street
Waterbury, Vermont 05671

Dear Ms. Rowe:

In order for a hospital to participate in Medicare, it must meet the requirements of 42 CFR Part 482. Hospitals that wish to participate as Psychiatric Hospitals must also meet additional requirements at § 482.60–62. We informed you that the survey of April 9, 2009 determined that your facility did not meet the Condition of Participation for § 482.13, Patient Rights. We conveyed that your application for readmission to the Medicare program had been denied. You requested that your facility be given an opportunity for additional review by CMS.

Regulations at § 489.57 define the terms under which a provider, which has had its Medicare agreement terminated by CMS, may be readmitted to the program. CMS must be assured that the reasons for the termination have been removed and there is reasonable assurance they will not recur; and the provider has fulfilled, or has made satisfactory arrangements to fulfill, all of the statutory and regulatory responsibilities of its previous agreement. In our procedures, this is defined as a period of “reasonable assurance”. The length of this “reasonable assurance” period is determined by the Regional Office after an evaluation of the provider’s previous compliance history. Reasonable assurance periods are usually 30-120 days but, depending on the circumstances, can be for a shorter or longer period of time. Participation can only resume following that period, if the provider has maintained compliance with program requirements.

Two sets of surveys are required to verify that the reason for termination no longer exists, and that the provider has maintained continued compliance. The first survey is a full survey conducted at the beginning of the reasonable assurance period to document compliance with requirements for which there were previous deficiencies. The second is a full survey at the end of the reasonable assurance period to document continued compliance with program requirements. In the case of a psychiatric hospital, there must also be demonstration of compliance with the regulations at § 482.60-62 during the reasonable reassurance period.

CMS will accept a plan of correction for the deficiencies of April 9, 2009. A revisit survey will then be conducted to verify the correction. If VSH has corrected the cited deficiencies, we will conduct a survey under the psychiatric hospital conditions. If VSH is found in compliance with these conditions, we will begin a reasonable assurance period of 90 days. At the end of the 90-day period, CMS will conduct two more full surveys - one for the general hospital requirements and one for the psychiatric hospital requirements. If VSH demonstrates continued compliance as measured by the second set of surveys, it will be readmitted to the Medicare program.

If you have any questions regarding this letter, please contact Richard Shaw at 617-565-4487.

Sincerely yours,

Richard M. Shaw for:

Roger Lukoff, Associate Regional Administrator
Northeast Consortium Survey and Certification Officer
Centers for Medicare and Medicaid