

## Rehabilitation Agencies: Initial Licensure and Certification Processes

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There are currently three (3) options for facilities licensed as Rehabilitation Agencies in Kentucky:

1. Licensed Only
  - a. Must follow all state regulations Rehabilitation Services: <http://www.lrc.state.ky.us/kar/902/020/190.htm>
2. Licensed and Certified through Medicare as an Outpatient Physical Therapy/ Speech Pathology Agency (OPT/SP)
  - a. Must follow all state regulations for Rehabilitation Services: <http://www.lrc.state.ky.us/kar/902/020/190.htm>
  - b. Must follow all federal regulations for OPT/SP: [http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap\\_e\\_opt.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap_e_opt.pdf)
3. Licensed and Certified through Medicare as a Comprehensive Outpatient Rehabilitation Facility (CORF)
  - a. Must follow all state regulations Rehabilitation Services: <http://www.lrc.state.ky.us/kar/902/020/190.htm>
  - b. Must follow all federal regulations for CORF: [http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap\\_k\\_corf.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap_k_corf.pdf)

### Licensure

1. For a Rehabilitation Agency to become licensed, it must first obtain Certificate of Need approval. The Office of Health Policy's CON office's phone number is 502-564-9589.
2. A State Fire Marshal inspection and approval, not older than 12 months, will need to be obtained. Their phone number is 502-573-0388. ***\*The facility's address and inspection date must be clearly legible.***
3. A completed licensure application and licensure fee of \$140.00 made payable to "Kentucky State Treasurer." \*  
\*Fee subject to change in 2015.
4. When the facility is providing services and ready for its initial survey, all of the following forms are sent to OIG as the initial licensure packet:
  - CON Approval and Certificate
  - State Fire Marshal Inspection Form (Current: No older than 12 months)
  - Licensure Application and Fee

### Certification

1. For a Rehabilitation Agency to become certified through Centers for Medicare and Medicaid (CMS) as an OPT/SP or CORF, they must also be licensed with Kentucky OIG. The licensure and certification process may occur simultaneously or the facility may become licensed first and certified at a later date. A facility may not be certified through Medicare without being licensed through Kentucky OIG.
2. The certification process begins with the facility consulting with their Fiscal Intermediary (FI) to complete and submit a CMS 855A form.
3. Once the Approved 855A form is received by the facility, the facility is providing services, and is ready for its initial survey, all of the following forms are sent to OIG together as the initial certification packet:
  - Approved 855A Form;
  - Civil Rights Application & HHS-690 Form;
    - You may also complete your civil rights packet here: <https://ocrportal.hhs.gov/ocr/pgportal/index.jsf>
  - Fiscal Intermediary Choice Form;
  - CMS 1561 Form;
  - CMS 359 Form (CORF Certification only).
  - CMS 1856 Form (OPT/SP Certification only)

- For Medicare certification as an OPT/SP, the facility may also choose to obtain deemed status. The accrediting organization The American Association for Accreditation of Ambulatory Surgery Facilities, Inc. (AAAASF) is recognized by CMS and may conduct your initial and subsequent certification surveys at the facility's request. For more information go to [www.aaaasf.org](http://www.aaaasf.org).

Once an inspection has been conducted and the facility has demonstrated compliance with all state and federal (if applicable) regulations, the facility will receive a license to post within the facility. Every subsequent year, the facility will submit a re-licensure application and yearly fee. Upon receipt of the re-licensure application and fee, the facility will receive a Validation Letter that states the effective and expiration date. The only time that the facility will receive a new license is if the name of the facility changes, the owner changes, or the location changes.

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**If you have questions about applying for a Rehabilitation Agency license or certification, please contact Christina Libby in the Office of Inspector General, Division of Health Care at (502) 564-7963 x 3322 or [Christina.Libby@ky.gov](mailto:Christina.Libby@ky.gov).**

**902 KAR 20:190. Rehabilitation agency services.**

RELATES TO: KRS 198B.260, 216.510(1), 216B.010-216B.131, 216B.990(1), (2), 319A.010(3), (4), 327.010(2), 334A.020(5), 334A.030, 334A.033

STATUTORY AUTHORITY: KRS 216B.042, 216B.105

NECESSITY, FUNCTION, AND CONFORMITY: KRS 216B.042(1)(a) and (c) require the cabinet to promulgate administrative regulations necessary for the proper administration of the licensure function and to establish licensure standards and procedures to ensure safe, adequate, and efficient health facilities and health services. This administrative regulation provides the minimum licensure requirements for the operation and services of rehabilitation agencies.

Section 1. Definitions. (1) "Audiologist" is defined by KRS 334A.020(5).

(2) "Audiology aide" means an individual certified as an audiology aide by the Kentucky Board of Examiners of Speech Pathology and Audiology.

(3) "Licensee" means the person or business entity that has been issued and holds a valid rehabilitation agency license from the Cabinet for Health and Family Services.

(4) "Long-term care facility" is defined by KRS 216.510(1).

(5) "Occupational therapist" is defined by KRS 319A.010(3).

(8) "Occupational therapy assistant" is defined by KRS 319A.010(4).

(7) "Physical therapist" is defined by KRS 327.010(2).

(8) "Physical therapy assistant" means a person certified as a physical therapist's assistant by the Kentucky Board of Physical Therapy, and who works under the supervision of a licensed physical therapist.

(9) "Rehabilitation agency" means an organization with permanent facilities which provides services designed to upgrade the physical function of handicapped and disabled individuals. (10) "Speech-language assistant" means a person licensed as a speech-language assistant by the Kentucky Board of Examiners of Speech Pathology and Audiology according to KRS 334A.033.

(11) "Speech-language pathologist" is defined by KRS 334A.020(3).

Section 2. Scope of Operation and Services. The rehabilitation agency shall provide outpatient services in the facility. Outreach services may be provided in other settings such as the patient's home, long-term care facilities or schools. A rehabilitation agency shall provide physical therapy or speech pathology services and may also provide audiology or occupational therapy.

Section 3. Administration and Operation. (1) Licensee.

(a) The licensee shall be legally responsible for the operation of the agency and for compliance with federal, state, and local laws.

(b) The licensee shall appoint a full-time administrator whose qualifications, responsibilities, authority and accountability shall be defined in writing. The licensee shall designate a mechanism for the periodic performance review of the administrator.

(2) Administrator.

(a) The administrator shall be responsible for the daily management of the facility and provide liaison between the licensee and staff.

(b) The administrator shall keep the licensee fully informed of the conduct of the facility through periodic reports and by attendance at meetings with the licensee.

(3) Administrative records and reports. Administrative reports shall be established, maintained and utilized to guide the operation measure productivity and reflect the programs of the facility. The reports shall include:

(a) Minutes of staff meetings, financial records and reports, incident investigation reports, and other pertinent reports made in the regular course of business; and

(b) Licensure inspection reports and plans of correction. The facility shall make available in a conspicuous place a complete copy of every inspection report for the facility received from the cabinet during the previous three (3) years, including the most recent inspection report.

(4) Patient care policies. The licensee shall have written patient care policies to govern the services provided which are established by a group of professionals including at least one (1) physician and at least one (1) qualified physical therapist, occupational therapist, speech pathologist or audiologist. Patient care policies shall be reviewed annually and revised as necessary. These policies shall address:

(a) Admission and discharge;

(b) Physician services;

(c) Patient care plans and methods of implementation;

- (d) Care of patients in an emergency;
  - (e) Infection control;
  - (f) Clinical records;
  - (g) Administrative records; and
  - (h) Program evaluation.
- (5) Personnel.

(a) The facility shall employ a sufficient number of qualified personnel to provide effective patient care and all other related services. There shall be written personnel policies which shall be available to all employees.

(b) There shall be a written job description for each position which shall be reviewed and revised as necessary.

(c) Current personnel records shall be maintained for each employee which include the following:

1. Name, address and Social Security number;
2. Evidence of current registration, certification or licensure of personnel;
3. Records of training and experience; and
4. Records of performance evaluation.

(6) Clinical records.

(a) The facility shall have a clinical records service with administrative responsibility for clinical records. A clinical record shall be maintained, in accordance with accepted professional principles, for every patient treated by the facility.

(b) The clinical record shall contain sufficient information to identify the patient, justify the diagnosis and treatment, and document the results accurately. All records shall contain the following information:

1. Identification data and consent forms;
2. Documented evidence of the assessment of the needs of the patient, an appropriate plan of care and the care and services provided;
3. Medical history;
4. Report of physical examinations;
5. Diagnosis;
6. Observation and progress notes;
7. Reports of treatments and clinical findings; and
8. Discharge summary including final diagnosis and prognosis.

(c) Current clinical records and those of discharged patients shall be completed promptly. All entries into the record shall be signed by the person making the entry.

(d) The facility shall have available a sufficient number of regularly assigned employees so that clinical records services may be provided as needed.

(e) All clinical records shall be retained for at least five (5) years from the conclusion of treatment or, in the case of a minor, three (3) years after the patient reaches the age of majority under state law, whichever is longer.

(f) Provision shall be made for written designation of specific locations for the storage of clinical records if the facility ceases to operate. It shall be the responsibility of the facility to safeguard both the record and its content against loss, defacement or tampering.

(g) A system of identification and filing to insure the prompt location of a patient's clinical record shall be maintained.

(7) Quality assurance and program evaluation.

(a) The agency shall have procedures which provide for quality assurance and the systematic evaluation of its total program to assure appropriate utilization of services, determine whether the organization's policies are followed in providing services to patients through employees or under a contractual arrangement with others, and to assure that services are provided according to generally accepted professional principles and are designed to meet the specific needs of the patients.

(b) A sample of active and closed clinical records shall be reviewed quarterly by the appropriate health professionals to assure that established policies are followed in providing services.

(c) An evaluation shall be conducted annually of statistical data such as the number of different patients treated, number of patient visits, condition on admission and discharge, number of new patients, number of patients by diagnosis(es), source of referral and total staff days or work hours by discipline.

#### Section 4. Provision of Services. (1) Rehabilitation services.

(a) Physical therapy and occupational therapy services shall be provided in accordance with the professional scope of practice established in KRS Chapters 327 and 319A, respectively. A patient in need of physical or occupational therapy services may be accepted for treatment on

the order of a physician, or may be accepted for treatment without a physician's order for rehabilitation services.

(b) There shall be a written plan of care for each patient which indicates anticipated goals and specifies the type, amount, frequency and duration of physical therapy, occupational therapy, speech pathology or audiology services. A patient's plan of care shall be established by the physician, the physical therapist who will provide physical therapy services, the occupational therapist who will provide occupational therapy services, or the speech pathologist who will provide speech pathology services. The plan of care for a patient who has been referred by a physician shall be developed based upon the physician's order.

(c) The plan of care for a patient referred by a physician shall be reviewed by the attending physician at least every thirty (30) days, unless documented by the attending physician in the physician's order, or unless the physician's preference is documented by the therapist in the patient's clinical record. The plan or care for a patient not referred by a physician shall be reviewed by the appropriate professional once every thirty (30) days and any indicated action shall be taken.

(d) A change and any condition that necessitates a change in the long-term rehabilitation goals for a patient in the patient's plan of care shall be made in writing and shall be signed by the professional responsible for the patient's care. The attending physician shall be promptly notified of a significant change. If a significant alteration is required in the plan of care established by, or in consultation with, a physician, the changes shall be approved by the physician and shall be noted in the clinical record.

(e) A patient who is treated without a physician's order shall be discharged if:

1. Continuation of therapy is contraindicated;
2. The therapy professional has reasonable cause to believe the patient's condition requires treatment beyond his scope of practice; or
3. There is no documented improvement within thirty (30) calendar days of initiation of treatment.

(f) The facility shall provide for one (1) or more physicians to be available on call to furnish necessary medical care in case of an emergency. A schedule listing the names and telephone numbers of the physicians and the specific days each is on call shall be posted.

(2) Outreach services may be provided in other settings.

(3) Physical therapy services.

(a) If offered, physical therapy services shall be provided by or under the direct supervision of a physical therapist employed by the facility or by arrangement with others under terms of a written contract. The number of licensed physical therapists and physical therapy assistants shall be adequate for the volume and diversity of services offered.

(b) The physical therapy program shall:

1. Provide services utilizing therapeutic exercise and the modalities of heat, cold, water, sound, electricity and traction;
2. Conduct patient evaluations and functional assessments; and
3. Administer tests and measurements of strength, balance, endurance, range of motion and activities of daily living.

(c) A physical therapist shall be present or readily available to provide required supervision to the physical therapy assistant pursuant to KRS Chapter 327.

(d) Patients shall be scheduled to ensure the physical therapist's presence if specific skills of a physical therapist are needed.

(e) Physical therapy services provided off the premises of the facility by a physical therapy assistant shall be under the supervision of a physical therapist who shall make an on-site supervisory visit with the assistant at least once every thirty (30) days.

(4) Speech pathology and audiology services.

(a) If offered, speech pathology and audiology services shall be provided by a speech-language pathologist or audiologist. The number of speech-language pathologists or audiologists shall be adequate for the volume and diversity of services offered. A speech language assistant or audiology aide shall work under the direct supervision of a speech pathologist or audiologist pursuant to the provisions of KRS Chapter 334A.

(b) The speech pathology or audiology program shall include diagnostic and treatment services to effectively treat speech or hearing disorders.

(c) The facility shall have the equipment and facilities required to provide the range of services necessary for the treatment of the types of speech or hearing disorders accepted for service.

(5) Occupational therapy services.

(a) If offered, occupational therapy services shall be provided by or under the direct supervision of an occupational therapist either directly or under arrangement with others under terms of a written contract. The number of registered occupational therapists and certified occupational therapy assistants shall be adequate for the volume and diversity of services offered.

(b) The occupational therapy program shall:

1. Conduct patient evaluations; and
2. Administer tests and measurements of strength, coordination, range of motion, activities of daily living, psychosocial adjustment,

sensory-motor, cognitive and perceptual functioning and prevocational skills.

(c) A registered occupational therapist shall be present or readily available to provide required supervision to certified occupational therapy assistants.

(d) Occupational therapy services provided off the premises of the facility by a certified occupational therapy assistant shall be under the direct supervision of an occupational therapist who shall make an on-site supervisory visit with the assistant at least once every thirty (30) days.

(e) The facility shall have the equipment and facilities required to provide the range of services necessary for the evaluation and treatment of the types of patients accepted for service.

(6) If physical therapy, occupational therapy, speech therapy or audiology services are provided under contract, the contract shall:

(a) Assure that services are provided in accordance with the plan of care approved by the physician responsible for the patient's care, which may not be altered in type, amount, frequency or duration by the physical therapist, occupational therapist, speech pathologist or audiologist, except in the case of an adverse reaction to a specific treatment;

(b) Specify the geographical areas in which services will be furnished;

(c) Provide that contracted personnel and services meet the same requirements as the requirements that would be applicable if the personnel and services were furnished directly;

(d) Provide that the physical therapist, occupational therapist, speech pathologist or audiologist, as appropriate, shall participate in conferences required to coordinate the care of an individual patient, as needed;

(e) Provide for the preparation of treatment records with progress notes and observations, and for their prompt incorporation into the clinical records of the agency; and

(f) Specify the period of time the contract is to be in effect and the manner of termination or renewal.

Section 5. Physical Environment. (1) Accessibility. The facility shall meet requirements for buildings and facilities to be accessible to and usable by the physically handicapped pursuant to KRS 198B.260.

(2) Fire safety. The facility shall comply with 815 KAR 10:060.

(3) Maintenance. The licensee shall establish a written preventive maintenance program to ensure that:

(a) Equipment is operative and properly calibrated; and

(b) The exterior and interior of the building are clean and maintained free of any defect which is a potential hazard to patients, personnel and the public. (11 Ky.R. 109; Am. 397; eff. 8-9-74; 16 Ky.R. 1028; eff. 1-12-90; 32 Ky.R. 992; 1402; eff. 3-2-2006.)