health institutions in the State, determines for the Medicaid agency whether institutions and agencies meet the requirements for participation in the Medicaid program; and

(2) The agency staff making the determination under paragraph (e)(1) of this section is the same staff responsible for making similar determinations for institutions or agencies participating under Medicare; and

(3) The agency designated in paragraph (e)(1) of this section makes recommendations regarding the effective dates of provider agreements, as determined under § 431.108.

(f) *Written agreement required.* The plan must provide for a written agreement (or formal written intra-agency arrangement) between the Medicaid agency and the survey agency designated under paragraph (e) of this section, covering the activities of the survey agency in carrying out its responsibilities. The agreement must specify that—

(1) Federal requirements and the forms, methods and procedures that the Administrator designates will be used to determine provider eligibility and certification under Medicaid;

(2) Inspectors surveying the premises of a provider will—

(i) Complete inspection reports;

(ii) Note on completed reports whether or not each requirement for which an inspection is made is satisfied; and

(iii) Document deficiencies in reports;

(3) The survey agency will keep on file all information and reports used in determining whether participating facilities meet Federal requirements; and

(4) The survey agency will make the information and reports required under paragraph (f)(3) of this section readily accessible to HHS and the Medicaid agency as necessary—

(i) For meeting other requirements under the plan; and

(ii) For purposes consistent with the Medicaid agency's effective administration of the program.

(g) *Responsibilities of survey agency.* The plan must provide that, in certifying NFs and ICFs/IID, the survey agency designated under paragraph (e) of this section will—

(1) Review and evaluate medical and independent professional review team reports obtained under part 456 of this subchapter as they relate to health and safety requirements;

(2) Have qualified personnel perform on-site inspections periodically as appropriate based on the timeframes in the correction plan and—

(i) At least once during each certification period or more frequently if there is a compliance question; and

(ii) For non-State operated NFs, within the timeframes specified in § 488.308 of this chapter.

(3) Have qualified personnel perform on-site inspections—

(i) At least once during each certification period or more frequently if there is a compliance question; and

(ii) For intermediate care facilities with deficiencies as described in §§ 442.112 and 442.113 of this subchapter, within 6 months after initial correction plan approval and every 6 months thereafter as required under those sections.

(h) *FFP for survey responsibilities.* (1) FFP is available in expenditures that the survey agency makes to carry out its survey and certification responsibilities under the agreement specified in paragraph (f) of this section.

(2) FFP is not available in any expenditures that the survey agency makes that are attributable to the State's overall responsibilities under State law and regulations for establishing and maintaining standards.

[43 FR 45188, Sept. 29, 1978, as amended at 45 FR 24883, Apr. 11, 1980; 53 FR 20494, June 3, 1988; 57 FR 43923, Sept. 23, 1992; 59 FR 56233, Nov. 10, 1994; 62 FR 43936, Aug. 18, 1997; 64 FR 67052, Nov. 30, 1999]

§ 431.615 Relations with State health and vocational rehabilitation agencies and title V grantees.

(a) *Basis and purpose.* This section implements section 1902(a)(11) and (22)(C) of the Act, by setting forth State plan requirements for arrangements and agreements between the Medicaid agency and—

(1) State health agencies;

(2) State vocational rehabilitation agencies; and

(3) Grantees under title V of the Act, Maternal and Child Health and Crippled Children's Services.

(b) *Definitions.* For purposes of this section—

''Title V grantee'' means the agency, institution, or organization receiving Federal payments for part or all of the cost of any service program or project authorized by title V of the Act, including—

(1) Maternal and child health services;

(2) Crippled children's services;

(3) Maternal and infant care projects;

(4) Children and youth projects; and

(5) Projects for the dental health of children.

(c) *State plan requirements.* A state plan must—

(1) Describe cooperative arrangements with the State agencies that administer, or supervise the administration of, health services and vocational rehabilitation services designed to make maximum use of these services;

(2) Provide for arrangements with title V grantees, under which the Medicaid agency will utilize the grantee to furnish services that are included in the State plan;

(3) Provide that all arrangements under this section meet the requirements of paragraph (d) of this section; and

(4) Provide, if requested by the title V grantee in accordance with the arrangements made under this section, that the Medicaid agency reimburse the grantee or the provider for the cost of services furnished beneficiaries by or through the grantee.

(d) *Content of arrangements.* The arrangements referred to in paragraph (c) must specify, as appropriate—

(1) The mutual objectives and responsibilities or each party to the arrangement;

(2) The services each party offers and in what circumstances;

(3) The cooperative and collaborative relationships at the State level;

(4) The kinds of services to be provided by local agencies; and

(5) Methods for—

(i) Early identification of individuals under 21 in need of medical or remedial services;

(ii) Reciprocal referrals;

(iii) Coordinating plans for health services provided or arranged for beneficiaries;

(iv) Payment or reimbursement;

(v) Exchange of reports of services furnished to beneficiaries;

(vi) Periodic review and joint planning for changes in the agreements;

(vii) Continuous liaison between the parties, including designation of State and local liaison staff; and

(viii) Joint evaluation of policies that affect the cooperative work of the parties.

(e) *Federal financial participation.* FFP is available in expenditures for Medicaid services provided to beneficiaries through an arrangement under this section.

§ 431.620 Agreement with State mental health authority or mental institutions.

(a) *Basis and purpose.* This section implements section 1902(a)(20)(A) of the Act, for States offering Medicaid services in institutions for mental diseases for beneficiaries aged 65 or older, by specifying the terms of the agreement those States must have with other State authorities and institutions. (See part 441, subpart C of this chapter for regulations implementing section 1902(a)(20) (B) and (C).)

(b) *Definition.* For purposes of this section, an ''institution for mental diseases'' means an institution primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases. This includes medical attention, nursing care, and related services.

(c) *State plan requirement.* A State plan that includes Medicaid for persons aged 65 or older in institutions for mental diseases must provide that the Medicaid agency has in effect a written agreement with—

(1) The State authority or authorities concerned with mental diseases; and

(2) Any institution for mental diseases that is not under the jurisdiction of those State authorities, and that provides services under Medicaid to beneficiaries aged 65 or older.

(d) *Provisions required in an agreement.* The agreement must specify the respective responsibilities of the agency