



COMMONWEALTH of VIRGINIA

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COMMISSIONER

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MEMORANDUM

To: All DBHDS Licensed Sponsored Residential Service Providers

From: Jae Benz, Director, Office of Licensing

Cc: Heather Norton, Deputy Commissioner, Community Services
Dev Nair, Assistant Commissioner, Division of Provider Management
Samantha Brooks, Special Projects Manager & High Acuity Team Supervisor
Lora Smith Hughes, Foster Care Program Manager
Em Parente, Division of Family Services Assistant Director
Rebecca Vinroot, Division of Family Services Director
Scott Reiner, Executive Director, Office of Children's Services
Tammy J. Whitlock, Deputy Director of Complex Care and Services, DMAS
Lisa Jobe-Shields, Behavioral Health Division Director, DMAS
Laura Reed, Behavioral Health Senior Program Advisor, DMAS
Jason Perkins, Program Manager Waiver Operations, DMAS
Ann Bevan, Division Director High Needs Supports, DMAS

Date: July 10, 2026

Re: Provider Responsibilities Prior to Accepting Individuals for Sponsored Residential Placement

Purpose: There have been recent incidents in which sponsored residential providers have accepted individuals into their care at locations that were not licensed or provided services that they were not licensed to provide. This memorandum serves as a reminder to all DBHDS licensed sponsored residential providers of the actions they are expected to take before accepting any individual for placement, and advises providers that the Office of Licensing has issued guidance to all local and state Departments of Social Services (DSS) and Children's Services Act (CSA)/Office of Children's Services (OCS) offices outlining the verification steps placing agencies will now complete prior to placement with a DBHDS licensed provider.

Required Provider Actions Before Accepting Any Individual

To ensure that individuals are only accepted into appropriate licensed services, every provider must confirm all of the following before accepting an individual for placement:

- **Your license is active and in good standing.** Your organizational and service licenses must not be expired, closed, suspended, or subject to enforcement action that impacts operations.
- **The individual falls within your licensed population and age group.** You may only accept individuals whose diagnoses and age align with the specific service license you hold; for example, DD Sponsored Residential Home Service for Children and Adolescents (08-013) versus for Adults (08-011), or Mental Health Sponsored Residential Home Service (08-014). Providers are generally not licensed to serve both MH and DD populations within the same sponsored residential location. An individual without a qualifying diagnosis for the license type may not be accepted.
- **The intended home is a certified location under the correct service license.** Sponsored residential services require individual approval of each location. A location that does not appear under your service license in the DBHDS Provider Directory, including locations that are pending approval, may not be used for placement. Holding an active organizational or service license does not authorize service delivery at an unapproved home.
- **The placement is consistent with your license addendum.** The addendum governs the services licensed, the disabilities of individuals who may be served, the specific licensed locations, the terms and conditions of each service, and the number of individuals each location may serve at a given time. Bed capacity limits must never be exceeded.
- **You can produce your license addendum upon request.** Placing agencies have been instructed to request the license addendum as a best practice prior to placement decisions. Providers should be prepared to furnish a current copy promptly.

What Placing Agencies Have Been Told to Verify

The Office of Licensing has issued a memorandum and step-by-step quick reference guide to all local and state DSS offices and CSA/OCS offices. Placing agencies have been directed, prior to any placement, to:

- Verify the provider holds an active DBHDS license free of enforcement action impacting operations;
- Confirm the provider is licensed to serve the correct population and age group for the individual;
- Confirm the specific placement address is listed as a certified location under the applicable service license in the DBHDS Provider Directory;
- Review the provider's license addendum, including bed capacity and certified addresses; and
- Review inspection reports, investigations, citations, and health and safety findings available through the DBHDS Office of Licensing website and Provider Search system.

Providers should expect placing agencies to request location addresses and license addenda earlier in the placement process and to decline placements that cannot be verified. Providers are expected to cooperate fully with these verification requests.

Consequences of Noncompliance

Accepting an individual outside your licensed service description, population, or age group, exceeding the capacity authorized by your license addendum, or accepting an individual into a location that is not

listed under your license constitutes a violation of licensing regulations and may result in one or more of the following:

- **Citations and corrective action.** Issuance of citations of noncompliance and the requirement to submit and implement an approved corrective action plan.
- **Enforcement action against the license.** Depending on the nature, severity, and pattern of the violation, the Department may impose enhanced monitoring, issue a provisional license, or pursue sanctions up to and including denial, suspension, or revocation of the license, in accordance with the Code of Virginia and applicable licensing regulations.
- **Unlicensed activity referral.** Providing a licensed service at a location that has not been approved and certified constitutes the provision of services at an unlicensed location. Unlicensed activity is a violation of the Code of Virginia and may be referred for legal action, in addition to any licensing enforcement.
- **Immediate removal or relocation of individuals.** Individuals placed in unapproved locations or outside the scope of the license may be required to be moved, resulting in placement disruption and displacement for the individuals served.
- **Funding and reimbursement consequences.** Services delivered at uncertified locations or outside the scope of the license may not be eligible for reimbursement and may result in payment retraction or referral to the appropriate payer or oversight entity.
- **Heightened scrutiny of future applications.** A history of noncompliance is considered when reviewing applications to add locations, services, or capacity.

Violations involving the health, safety, or welfare of individuals, particularly children and adolescents, will receive the Department's highest level of attention and may result in immediate action.

Questions regarding licensing status should be directed towards your licensing specialist. The Office of Licensing values its partnership with providers and appreciates the important work you do on behalf of the individuals and families served across the Commonwealth. Thank you for your cooperation and continued commitment to quality care.