FREQUENTLY ASKED QUESTIONS ABOUT
MEDICARE DEEMED STATUS SURVEYS

1 What is an AAAHC/Medicare Deemed Status survey?

The Centers for Medicare and Medicaid Services (CMS) accepts AAAHC’s recommendation for an ambulatory surgery center (ASC) to be included in AAAHC/Medicare deemed status. This recommendation is based on confirmation of compliance with AAAHC Standards and the Medicare Conditions for Coverage (CfC) for ASCs through the AAAHC/Medicare deemed status survey—a combined AAAHC and Medicare survey.

In addition to the AAAHC Standards, most of which are equivalent to the CfC for ASCs, the survey also reviews Medicare Conditions for Coverage identified by the CMS Code of Federal Regulation (CFR) number and Q–Tag identifier.

2 What are the Medicare Conditions for Coverage (CfC)?

CfC are the minimum health and safety requirements for operation of Medicare certified ASCs. As part of its agreement with CMS, the ASC agrees to meet the CfC specified in subpart B-General Conditions and Requirements, Title 42 CFR 416.25-416.35 and subpart C-Specific Conditions for Coverage, Title 42 CFR 416.40-416.52. For more information about certification and compliance requirements for ASCs, use this link: http://www.cms.gov/CertificationandCompliance/02_ASCs.asp.

You can find the CfC for ASCs here: http://www.cms.gov/CfCsAndCop/16_ASC.asp. Scroll down to Conditions for Coverage/Ambulatory Surgery Centers.

RECENT CMS UPDATES:
Changes to the Ambulatory Surgical Centers Standard: Emergency Equipment. Organizations are no longer required to adhere to a specified list of emergency equipment. Instead, organizations must craft an appropriate emergency equipment plan based on the procedures performed and population served. The emergency equipment must be immediately available for use during emergency situations.

Changes to the Ambulatory Surgical Centers Standard: Physical Environment. CMS eliminated this duplication of standards by removing these infection control-related standards from the Physical Environment condition and retaining them exclusively under the Infection Control condition for coverage.
Changes to the interpretive guidelines for Ambulatory Surgical Centers Standard: Notice of Rights. CMS has determined that the language regarding posting the written notice of patient rights under the condition-level identifier is a standard-level citation if the deficiency relates solely to the posting of the notice. CMS has also determined that a blanket statement of refusal by the ASC to comply with any patient advance directive is not permissible. Instead, the ASC may decline to implement parts of an advance directive as permitted by state law. The ASC policy must include any ASC-wide or individual staff conscience objections, identify the state legal authority allowing this exemption and describe the range of medical conditions and procedures affected by the objection.

Changes to the Ambulatory Surgical Centers Standard: Surgical Services

CMS has corrected a technical error in Title 42 CFR 416.42(b)(2), which referenced paragraph (d) of the section. The language and intent of the rule remains the same, however, since paragraph (d) does not exist, the reference was changed to paragraph (c). The language now states:

A physician qualified to administer anesthesia, a certified registered nurse anesthetist (CRNA) or an anesthesiologist’s assistant as defined in §410.69(b) of this chapter, or a supervised trainee in an approved educational program. In those cases in which a non-physician administers the anesthesia, unless exempted in accordance with paragraph (c) of this section, the anesthetist must be under the supervision of the operating physician, and in the case of an anesthesiologist’s assistant, under the supervision of an anesthesiologist.

Changes to the Ambulatory Surgical Centers Standard: Laboratory and Radiologic Services (effective for surveys conducted July 11, 2014 and after)

§416.49 Condition for coverage—Laboratory and radiologic services: Revised language shown below

(b) Standard: Radiologic services

(1) Radiologic services may only be provided when integral to procedures offered by the ASC and must meet the requirements specified in §482.26(b), (c)(2), and (d)(2) of this chapter.

(2) If radiologic services are utilized, the governing body must appoint an individual qualified in accordance with State law and ASC policies who is responsible for assuring all radiologic services are provided in accordance with the
requirements of this section. (continued)

With this change, which takes effect 7/11/14, CMS eliminated the need for a radiologist to be a part of the medical staff in order for an ASC to provide radiologic services during a procedure. The revised rule limits an ASC to providing ONLY radiologic services integral to the procedures offered by the ASC and puts the burden on the ASC to demonstrate that the radiologic service is integral to the care provided.

The appointed individual would be responsible for assuring compliance with the provisions of §482.26(b), (c)(2), and (d)(2). The referenced provisions address requirements related to safety for patients and personnel, such as use of precautions against radiation hazards (shielding, and appropriate storage, use, and disposal of radioactive materials); regular equipment inspection and hazard correction; regular review of radiation workers for the amount of radiation exposure; use of radiologic equipment only by qualified personnel; and maintenance of imaging results or records for at least 5 years.

The appointed individual could be someone already working in the ASC who is qualified in accordance with State law and ASC policies. The ASC’s governing body will continue to be required to ensure, through the credentialing and privileging process, that the operating surgeon is competent to perform procedures in the ASC safely when using imaging as an integral part of the surgical procedure.

**Change in terminology and Update of Survey and Certification Memo regarding Immediate Use Steam Sterilization in Surgical Settings (effective August 29, 2014)**

This memo discusses abandoning the use of the term “flash” sterilization, replacing it with the term “Immediate Use Steam Sterilization” (IUSS). The new term is still used to describe the process of steam sterilizing an instrument for intended for use immediately, not stored for later use, and allows for minimal or no drying after the sterilization cycle. The device manufacturer's instructions for use must still be used, including sufficient time and described steps and safeguards for pre-cleaning. The memo goes on to reference standards of practice from national associations with expertise in infection prevention.

**Categorical waiver for power strips:**
This notice only applies to ASCs using power strips. The Centers for Medicare and Medicaid Services (CMS) has clarified its position on the use of power strips in ASCs by allowing a categorical waiver for new and existing facilities, if the ASC is in compliance with all applicable power strip requirements as found in the 2012 edition of NFPA 99, while maintaining
compliance with all other electrical system and equipment provisions found in the 1999 edition of NFPA 99.

The election to use any categorical waiver must be documented prior to an ASC’s Life Safety Code survey. (continued)

Changes to interpretive guidelines related to the following standards:
416.41, 416.42, 416.44(a), 416.45(b), 416.49(b), 416.50(a), 416.50(e), 416.52(c)
Last year, CMS released revised regulation related to the radiologist requirement. CMS has now issued matching interpretive guidelines to accompany this revised regulation in Survey and Certification (S&C) memo 15-22 – Revised Guidance Related to New & Revised Regulations for Hospitals, Ambulatory Surgical Centers, Rural Health Clinics and Federally Qualified Health Centers. In addition to the new radiologic services guidelines, CMS has clarified the interpretive guidelines for other standards including emergency transfers (416.41(b)), physical environment (416.44(a)), and a few others related to patient rights, surgical services and discharge.

AAAHC requested clarification of a reference to medical record systems made within the S&C memo and was informed that a separate survey and certification memo would be released to clarify the removal of that reference. The memo discussing this change is available at https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Downloads/Survey-and-Cert-Letter-15-22.pdf

3 What if some of the Medicare Conditions for Coverage don’t apply to my ASC?

A Medicare certified ASC must be in compliance with all CfC, regardless of the types of procedures or services it provides. When an ASC requests a Medicare deemed status survey, the surveyors will assess for compliance with all CfC and applicable AAAHC Standards.

In addition, CMS requires ASCs to be in compliance with the NFPA 101® 2000 edition of the Life Safety Code 101. In consideration of a recommendation by the AAAHC or a state survey agency, CMS may waive, for periods deemed appropriate, specific provisions of the Life Safety Code which, if rigidly applied, would result in unreasonable hardship on an ASC, but only if the waiver will not adversely affect the health and safety of the patients.

4 Who can apply for an AAAHC/Medicare deemed status survey?

Ambulatory Surgery Centers (ASCs) that are already Medicare certified, as well as those seeking initial Medicare certification, may apply for this survey. Applicant ASCs must be licensed in the state in which they are located (if that state
requires licensure) to be eligible to request an AAAHC/Medicare deemed status survey.

5 How do we know if we have to be licensed as an ASC?

Contact your state department of health to determine licensure requirements. If state law requires your ASC to be state-licensed, then the Accreditation Association will require a copy of the license along with the AAAHC Application for Survey. If your ASC is exempt from state ASC licensing law and/or the state allows Medicare certification without a license, then the AAAHC will need to be provided with documentation from the state agency confirming this (e.g., information from state regulations web page).

6 How do we apply for an AAAHC/Medicare deemed status survey?

Indicate this request on the Accreditation Association’s Application for Survey. The Application can be found at www.aaahc.org.

7 If we request an AAAHC/Medicare deemed status survey, will we need to include any additional documents with the application?

Yes. The Application for Survey lists documents that are required of all organizations, but there is an additional list of documents required from those seeking an AAAHC/Medicare deemed status survey.

8 How does AAAHC determine the cost of an AAAHC/Medicare deemed status survey?

As with all AAAHC surveys, the ASC will be assessed a survey fee for the length of time and number of surveyors required to conduct its survey. Currently, every AAAHC/Medicare deemed status survey requires at minimum a clinical surveyor and a Life Safety Code surveyor. Based on the information collected within the application for survey, AAAHC may determine that additional surveyors are necessary to conduct the survey.
9 Our ASC is accredited by the AAAHC, but is not Medicare certified. Are we automatically Medicare certified because the AAAHC has deemed status?

No. ASCs currently accredited by AAAHC do not automatically qualify for Medicare certification. An ASC needs to apply specifically for Medicare certification and for the AAAHC/Medicare deemed status survey as outlined above.

10 Is an ASC that has an AAAHC/Medicare deemed status survey automatically Medicare certified?

No. Eligible ASCs must apply for Medicare certification by submitting the Medicare enrollment application, called the CMS-855 Medicare Provider Enrollment Application part B [http://www.cms.gov/CMSforms/downloads/cms855b.pdf]. Applicants may download the 855B, complete it and submit the hard copy, or use the CMS internet-based Provider Enrollment, Chain and Ownership System (PECOS) for Medicare enrollment. Approval of this 855B will be issued from the Medicare Administrative Contractor (MAC), Fiscal Intermediary (FI), or Carrier. For a list of FIs and Carriers go to: http://www.cms.gov/MedicareProviderSupEnroll/downloads/contact_list.pdf.

Verification of this approval must be provided to AAAHC prior to being scheduled for an AAAHC/Medicare deemed status survey. For more information about the 855B, visit: http://www.cms.gov/MedicareProviderSupEnroll/ or refer to the 855B Enrollment Process found in the resources section of the 2015 Accreditation Handbook For Medicare Deemed Status Surveys.

11 Our ASC has not been eligible for Medicare certification in the past, but is AAAHC accredited. Are we automatically eligible for Medicare certification because the AAAHC has deemed status?

No. If your ASC has not been eligible for, or has been denied Medicare certification as an ASC in the past, it must request from the CMS Regional Office (RO) written authorization for AAAHC to conduct an AAAHC/Medicare deemed status survey.
**12 Will the state still need to inspect our facility if we have an AAAHC/Medicare deemed status survey?**

In most cases, the state will not review an ASC that has been accredited through an AAAHC/Medicare deemed status survey, but it does not preclude the state from conducting validation or complaint inspections. State licensure inspections are separate from Medicare surveys and are conducted according to state requirements. State licensure inspections may be inclusive of physical environment requirements that exceed any specified by CMS.

**13 Will my facility be exempt from a State visit?**

Not necessarily. If the state in which your facility is located performs licensure surveys, you may not be exempt from an annual state visit. Please check your state’s licensure requirements to verify. In addition, CMS contracts with state agencies to perform complaint visits and validation surveys. The validation survey process is a CMS method for verifying an accreditation organization’s (AAAHC) compliance with Medicare Deeming requirements.

**14 Do we need to prepare for a Medicare deemed status survey differently than we would for an AAAHC accreditation survey?**

Yes. The 2015 *Accreditation Handbook For Medicare Deemed Status Surveys* is needed in order to prepare for your AAAHC/Medicare deemed status survey. The Conditions for Coverage are included within this *Handbook*. In addition, CMS has published ASC Interpretive Guidelines:


In addition, the ASC should ensure that it is in compliance with the requirements of the *NFPA 101® 2000 edition of the Life Safety Code*. As described in #3, all Medicare certified ASCs are required to comply with this code.
15 If we are opening a new ASC, what do we need before we request an AAAHC/Medicare deemed status survey?

Before the AAAHC/Medicare deemed status survey can be confirmed, the ASC must:

1) Provide AAAHC with verification of approval of its CMS-855B Medicare Provider Enrollment Application from the FI or Carrier. This application is a request for enrollment as a Medicare facility and identifies the accreditation organization you will use for the initial survey.

2) Be open, operational and actively providing surgical procedures to adequately demonstrate compliance with AAAHC accreditation requirements including Medicare requirements.

3) A minimum of ten medical records must be available for review during the survey.

The AAAHC’s early option survey (EOS) is for ASCs that are newly constructed, operational, and actively providing surgical procedures to adequately demonstrate compliance with AAAHC accreditation requirements including Medicare requirements. Some ASCs may require accreditation for third-party reimbursement, and a six-month wait for a survey would entail financial hardship; or have been providing services for less than six months and are seeking AAAHC accreditation and Medicare deemed status for the first time.

16 If our ASC chooses to have an AAAHC/Medicare deemed status survey, will the survey be announced or unannounced?

As mandated by CMS, the survey is unannounced. Each ASC is allowed up to five blackout dates. The AAAHC Scheduling Coordinators make every effort possible to ensure a positive survey event. The AAAHC will not send information about the date of the survey or the name(s) of the surveyor(s) who will be conducting the AAAHC/Medicare survey.
If a Medicare survey wasn’t requested before the on-site survey, can I ask the surveyors to conduct an AAAHC/Medicare deemed status survey when they arrive?

No. As required by CMS, an AAAHC/Medicare deemed status survey must be unannounced. If an AAAHC/Medicare deemed status survey is not requested during the application process, once the surveyor arrives on site, he or she may only review the ASC’s compliance with AAAHC Standards.

Our ASC is seeking initial Medicare certification. Will we be Medicare certified at the end of an initial AAAHC/Medicare deemed status survey?

No. Review “Medicare Certification Process” in the Resources section of the Handbook on pages 177-181 of the 2015 Accreditation Handbook for Medicare Deemed Status Surveys. AAAHC does not have the authority to provide Medicare certification.

If the ASC was found in compliance with all the CfC during the survey, then:
- AAAHC may recommend the ASC for AAAHC/Medicare deemed status.
- AAAHC will provide copies of the accreditation decision letter to CMS Regional Office (RO) and central office (CO).
- The RO will notify the state of approval of Medicare certification of the ASC.

After receiving its accreditation decision letter from AAAHC, the ASC should follow up with the state to determine the status of its Medicare certification application.

If, during an initial Medicare deemed status survey, an ASC is found out of compliance with one or more conditions or a series of Standards that could result in a condition out of compliance, then:
- AAAHC can neither recommend the ASC for AAAHC/Medicare Deemed Status nor grant accreditation.
- AAAHC will provide copies of the determination to CMS RO and CO.
- The RO will not grant approval of Medicare certification of the ASC. The ASC should contact the RO for information about the status of its Medicare enrollment application.

The ASC may choose to immediately seek another initial AAAHC/Medicare deemed status survey. Each ASC is required to meet all conditions for coverage prior to the Medicare Deemed Status survey.
19 Can we care for Medicare patients immediately after the deemed status survey?

AAAHC has no role in the processing of Medicare certification enrollment. The region collects information from the state and the fiscal intermediary, in addition to reviewing the survey findings. The processing and review timelines for the ten CMS regions after the AAAHC submits the survey report and decision, vary. Based on what we have observed, on average it takes 30-60 days after you receive an accreditation decision for CMS to issue a certification number. The ASC should contact CMS to determine when Medicare patients can be seen. **NOTE:** AAAHC reminds ASCs they may not be reimbursed for treatment provided to Medicare patients immediately following an AAAHC/Medicare deemed status survey.

20 Can AAAHC tell me when I can start billing Medicare?

No. CMS determines the effective date of Medicare certification. **NOTE:** The effective date of Medicare certification is **not automatically the last date** of the AAAHC/Medicare deemed status survey or the date of an acceptable Plan of Correction, if applicable (see “The Accreditation Process: After the Survey” on pages 14-18 of the 2015 Accreditation Handbook Including Medicare Requirements for Ambulatory Surgery Centers (ASCs).

21 After our AAAHC/Medicare Deemed Status Initial or EOS survey, can we start scheduling and seeing Medicare patients?

Since CMS determines the effective date of Medicare certification, AAAHC recommends that providers wait until after the CMS Certification Number (CCN) is received to treat Medicare patients. The CMS Regional Office will award this number.

22 If our ASC is already Medicare certified, are we required to have an AAAHC/Medicare deemed status survey?

No. AAAHC/Medicare deemed status is voluntary.
23 Once an ASC is in AAAHC/Medicare deemed status, is it permanently in deemed status?

No. The ASC remains in deemed status throughout its accreditation term. When the ASC submits an application for its next survey, the ASC may continue its deemed status by requesting an AAAHC/Medicare deemed status survey. Alternatively, an ASC that has AAAHC/Medicare deemed status can withdraw from deemed status, but only at the time it requests its next survey. In some specific cases (e.g., failure to comply with CfC, significant Life Safety Code deficiencies, failure to act in good faith, etc.), AAAHC may terminate an ASC from AAAHC/Medicare deemed status.

24 Can I apply for an AAAHC/Medicare deemed status survey for the ASC and office practice together?

No. As required by CMS, an AAAHC/Medicare deemed status survey can only be conducted for eligible ASCs, and each ASC must be surveyed independent of any other ASC or other type of facility. Therefore, each ASC seeking AAAHC/Medicare deemed status must submit its own Application for Survey.

25 How do I make sure that my facility has the most updated information on Medicare requirements?

There are three primary ways:

2. Sign up for notices printed in the Federal Register: [https://www.federalregister.gov/my/sign_up](https://www.federalregister.gov/my/sign_up)
3. Be sure and keep your contact information with AAAHC up to date! ASCs accredited through the AAAHC/Medicare Deemed Status Program receive e-blasts with updates as soon as new Medicare information is posted on the AAAHC website.