

## ASC Accreditation: What Surgeons Need to Know

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### Why Accreditation Matters

Many stakeholders in the ambulatory surgery center (ASC) business – including surgeon-owners and their business partners – consider the accreditation process to be a necessary administrative evil. And justifiably so. There is lots of paperwork and some expense. Plus, lawyers, bureaucrats and insurance companies are involved.

But, at Blue Chip, we take a more optimistic view. Our experience has taught us that the accreditation process is well worth the effort in that it lays the foundation for long-term clinical and business success. In addition to ensuring the delivery of high-quality care, the time and dollars invested in accreditation pay surprisingly large dividends in terms of operational efficiency, improved cash flow, transparency and the implementation of a sound management approach.

For these reasons, Blue Chip takes accreditation very seriously. Our experienced staff uses a proven process – based on detailed templates, survey checklists and mock reviews – to streamline the application process and help our surgery centers achieve accreditation quickly and efficiently. If management and staff buy into the process and recognize the considerable business value that can be created by successfully completing it, the ASC will go far beyond just “ticking the box” and establish a high-performance operation built on best practices.

### Who Accredits ASCs?

There are three primary agencies, each of which may provide Medicare certification and inspects ASCs or office-based surgery centers. They are all private, non-profit organizations.

- Accreditation Association for Ambulatory Health Care (AAAHC): since 1979, this agency has certified a total of 3,000 facilities.
- American Association for Accreditation of Ambulatory Surgery Facilities (AAAASF): established in 1980, with 1,000+ accreditations to date; oriented toward office-based ORs.
- The Joint Commission on Accreditation for Healthcare Organizations (JCAHO): established in 1951, this non-profit started as a hospital accreditation agency; about 600 “Gold Seal of Approval” accreditations have been granted to ambulatory facilities.

The standards required for certification for each of these groups are fairly similar. All of them are focused on quality care, patient experience and safety. Costs are comparable, too. Though we have extensive experience and strong working relationships with all three agencies, Blue Chip recommends AAAHC accreditation, because of its particular expertise with outpatient surgery centers. Each of these groups also conducts “deemed status” surveys that provide Medicare certification, along with their own accreditation.

### Is Accreditation a Legal Requirement?

Many payers – including both government payers like Medicare and private insurers – will not pay claims without ASCs having passed their own reviews or achieved accreditation through one of these agencies. Indeed, Medicare “deemed status” is now more easily achieved through accreditation by one of the agencies. Though not every single state or payer absolutely requires it, Blue Chip considers accreditation mandatory.

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### What does Accreditation Cost?

The cost of accreditation varies based on the location of the ASC, the number of physicians involved in the partnership and types of procedures and specialties. In general, the bigger your facility, the more accreditation costs. Most of the accreditations we've performed cost the ASC \$5,000-\$10,000. That includes various agency fees, and ancillary costs. At the largest facilities, total costs might approach \$12,000. The investment of staff time to prepare for the accreditation and get up to speed on all the various requirements is an indirect cost to be considered.

### What's the Process?

At a high level, accreditation involves two primary steps – the application process and the site review, or survey. For the application, the facility provides a great deal of information on a number of topics. If your application is accepted, a survey or site review will follow in a few months, during which time you'll need to work to ensure you meet all the standards and guidelines published by the agency.

Surveyors – who may be physicians, nurses or administrators – spend at least a full day (and likely a day and a half) at the facility validating and verifying the information submitted, interviewing various staff and, in some cases, talking to patients. They also physically inspect the facilities. Depending on the agency, surveyor may turn up unannounced or on a pre-determined day. Medicare surveys are unannounced.

Accreditation decisions are made within two to three months of the survey. Depending on the level of accreditation granted, you'll receive a follow-up visit at a later time. The options are no accreditation, six months, one year and three years. Early option surveys offer a maximum accreditation term of one year.

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### Blue Chip Accreditation Support

From preliminary paperwork to post-survey follow-ups, Blue Chip provides the full range of services necessary to achieve accreditation – and achieve it as efficiently and cost-effectively as possible. Typically, our facilities receive provisional accreditation within a week of opening and at the highest possible status. Our specific services include:

- Agency evaluation and selection
- Application completion
- Preliminary reviews and strategic planning
- Creation of documentation checklists and record-keeping forms
- Agency liaison and communication
- Mock surveys and walk-throughs
- Staff training and education
- Integration of survey-related processes and information into regular operations
- Ongoing clinical, financial and operational audits
- Initial and long-term QI planning
- Initial and long-term strategic planning
- Annual updates on accreditation standards (i.e., additions, deletions, changes)

The business development services we provide in the course of building strong partnerships make the actual process less onerous and increase the probability of achieving accreditation. Many of the things ASCs do for accreditation are, we believe, things they should be doing anyway. Further, our goal in offering ongoing management services is to ensure Blue Chip-developed facilities are ready whenever surveyors or auditors show up.

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### What Do the Surveys Cover?

Basically everything that could impact patient safety or quality of care. The following are a few typical questions and concerns.

- **Patient rights:** Do patients and their family members have comfortable, private waiting areas? An accreditable organization ensures that the facility and its staff afford the patient proper privacy, confidentiality and comfort in all aspects of care.
- **Governance:** Does the Board meet regularly? Are QI committee recommendations acted upon? Reviewers will look for a governing body that sets policy and is responsible for the organization.
- **Clinical quality:** Are instruments kept sterile? What are the infection rates for various procedures? To receive accreditation, a facility must show it maintains the highest clinical standards.
- **Physical plant:** Are fire exits up to code? Are bathrooms clean? The focus is on safety, equipment checks, and required maintenance.

Standards vary for each agency and for different types of facilities, and Medicare standards may be

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incorporated. For example, AAAHC's survey features seven core chapters, with 250 specific standards, and 16 adjunct chapters, with 375 total standards, that must be met. You don't need to score 100% in every single area to receive accreditation, but rather meet specific overall standards.

Record-keeping and documentation are very important. The agency surveyors want to be sure that patient information is secure, accurate and up to date, and that all physician licenses and credentials are complete and current. Other particular areas of concern include

HIPPA compliance, medication management, anesthesia, personnel files, quality management, peer review and clinical records.

When they visit a site, surveyors will observe procedures, pore over financial records, business plans and the minutes of Board meetings, and ask lots of detailed questions. They may also provide very helpful suggestions.

### What are the Levels of Accreditation?

Again, it varies by agency, but, generally speaking, all agencies offer standard accreditation for six months, one year or three years. Obviously, the three-year status is best as it frees you from the cost and burden of repeating the process. For early option and Medicare, "deemed status" equates to one-year accreditation. Sometimes accreditation is not granted.

Blue Chip typically seeks "early option" accreditation for new surgery centers because of the value it offers in creating cash flow. In this case, a facility is subject to an abridged survey just a few days after opening. Provided the survey requirements are satisfied, six-month or one-year "provisional" accreditation is granted, with follow-up surveys completed once that time is up.

### How Can We Ensure Accreditation?

When it comes to the actual application and review process, preparation is everything. In our experience, a few best practices go a long way. They include starting early, using models and checklists based on the handbooks of the agencies, conducting mock reviews and involving all staff members. Embracing these steps helps make the process less disruptive, and it helps ensure the business is well organized in the first place and has a strong administrator in place. Many ASCs work with consultants to prepare for the survey, or rely on the expertise of their business partners. (For more detailed guidance on specific steps to take, please see *Blue Chip Perspectives: 12 Steps to Accreditation*.)

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### The Bottom Line: Harvesting the Value of Accreditation

Blue Chip's considers accreditation to be a requirement for long-term success in that it offers significant long-term value to the business. While the process can seem daunting, we prefer to view it as an opportunity to thoroughly examine operations from top to bottom and apply best practices. We've seen time and again with our successful ASC businesses how the accreditation process enables efficient business operations and reduces risk. Further, we believe it enhances clinical quality and the patient experience, while promoting a culture of excellence and laying the foundation for strong financial performance.

### Learn More About What Makes Us Blue Chip

We encourage you to learn more about what we do and the unique way we do it by viewing other Blue Chip Perspectives.

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