

Center for Clinical Standards and Quality/Quality, Safety & Oversight Group

**Ref: QSO 18-12-Deemed Providers/
Suppliers**

DATE: January 12, 2018

TO: State Survey Agency Directors

FROM: Director
Quality, Safety & Oversight Group (*formerly Survey and Certification Group*)

SUBJECT: Clarification of the Accrediting Organization's (AO's) Role when a Provider or Supplier's Deemed Status has been Temporarily Removed

Memorandum Summary

- **Temporary Removal of Deemed Status:** It is imperative that the Centers for Medicare & Medicaid Services (CMS) notify the appropriate AO when deemed status is removed and a provider or supplier is placed under State Survey Agency (SA) jurisdiction.
- **Impact on AOs:** CMS will not accept any accreditation decisions or recommendations made by an AO based on a Medicare accreditation survey conducted while the provider or supplier is under SA jurisdiction.
- **Delay of Triennial Survey:** Temporary removal of deemed status is an acceptable reason for the delayed conduct of a triennial survey. Once deemed status is restored, the AO is expected to delay the triennial survey for a reasonable period of time to ensure the integrity of an unannounced survey.

Overview and Clarification

CMS may temporarily remove deemed status (and therefore AO jurisdiction) when a State Agency (SA) or Federal survey team identifies condition-level non-compliance in a deemed provider or supplier during either a representative sample or substantial allegation validation survey. The Regional Office (RO) must advise the provider or supplier that its deemed status is removed and that it is being placed under SA jurisdiction. It is also imperative that the RO advise the appropriate AO of this action in writing.

The provider or supplier remains under SA jurisdiction until it either demonstrates substantial compliance or CMS terminates its Medicare participation. If the provider or supplier demonstrates substantial compliance to the SA, CMS restores its deemed status. There is no prohibition against an AO also conducting its own survey of a provider or supplier that is temporarily under SA jurisdiction. An AO may choose to conduct a survey for a variety of reasons. For example, an AO may wish to personally evaluate areas of non-compliance and monitor the provider or supplier's progress toward correction of deficiencies, or collaborate with the RO and SA to conduct a joint survey.

However, no accreditation decisions or recommendations made by an AO based on a Medicare accreditation survey conducted while the provider or supplier is under SA jurisdiction will be accepted by CMS.

While a provider or supplier is under SA jurisdiction, the AO has no jurisdiction or authority from a Medicare perspective. Temporary removal of deemed status is an acceptable reason for the delayed conduct of a triennial survey. Once the RO restores deemed status, the AO is expected to delay the triennial survey for a reasonable period of time to ensure the integrity of an unannounced survey.

Contact: If you have any questions regarding this memorandum, please send inquiries to the accreditation e-mailbox at scgaccreditationco@cms.hhs.gov.

Effective Date: Immediately. This policy should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators within 30 days of this memorandum.

/s/
David R. Wright

cc: Survey and Certification Regional Office Management