

Center for Medicaid and State Operations

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Ref: S&C-03-22

**DATE:** JUNE 12, 2003

**FROM:** Director  
Survey and Certification Group

**SUBJECT:** Clarification of CMS Payment Policies Regarding Ambulatory Surgical Centers/  
Independent Diagnostic Testing Facilities Conducting Business From the Same  
Location

**TO:** Survey and Certification Regional Office Management (G-5)  
State Survey Agency Directors

The purpose of this memorandum is to provide policy guidance for Ambulatory Surgical Centers (ASCs)/Independent Diagnostic Testing Facilities (IDTFs) that share a common working space but operate at different times (dual participation). For example, ABC Ambulatory Surgery Center may operate from 8:30 AM to 5:00 PM, Monday – Wednesday at 123 Smith Avenue, while ABC Independent Diagnostic Testing Facility operates from the same Smith Avenue location, but from 8:30 AM to 5:00 PM Thursday – Friday.

**Background**

The regulatory definition of an ASC (42 CFR 416.2) does not allow the ASC and another entity to mix functions and operations in a common space during concurrent or overlapping hours of operations. Our current regulations and policy do not allow an entity to function both as an ASC and an IDTF, mixing unrelated functions and operations in a common space during concurrent or overlapping hours of operation. That is, the two facilities must be separated by time (different hours of operation) or the other entity may operate in the ASCs space when the ASC is not operating in that space.

**Exception**

When there is a need for imaging services during the course of a procedure in progress at an ASC, the IDTF sharing the space with the ASC (but at different times), may conduct the required service outside of its normal business hours, as needed, and receive Medicare payment for those services. In this situation, our regulations and policy allow the IDTF to bill and receive Medicare payment for imaging and guidance services (such as angiography, venography, fluoroscopy, and ultrasonic needle guidance) that are reasonable and necessary and directly related to the performance of a surgical procedure and furnished in conjunction with a surgical procedure despite being conducted during the ASC's designated hours.

**Effective Date**

The information contained in this memorandum is current policy and is in effect.

**Training**

This clarification should be shared with all survey and certification staff, surveyors, their managers, and the state/regional office training coordinators.

If you have further questions regarding this matter please contact Mary Hayes of my staff at (410) 786-3507 or E-mail, [Mhayes@cms.hhs.gov](mailto:Mhayes@cms.hhs.gov).

/s/

Steven A. Pelovitz