



**Center for Clinical Standards and Quality**

**QSO 18-12-Deemed Providers/Suppliers **REVISED****

**DATE:** August 27, 2018

**TO:** State Survey Agency Directors

**FROM:** Directors, Quality, Safety & Oversight Group (QSOG) *and Survey & Operations Group (SOG)*

**SUBJECT:** **REVISED:** Clarification of the Accrediting Organization's (AO's) *and State's* Roles when a Provider or Supplier's Deemed Status has been Temporarily Removed

**Memo Revision Information:**

**Memo revision date:** 2026-03-25

**Memo revision date:** 2018-08-27

**Original release date:** 2018-01-12

**Memorandum Summary**

- **Temporary Removal of Deemed Status *due to Non-compliance:*** *AOs must suspend or postpone any Medicare deeming recertification survey until the CMS Location restores deemed status, regardless of the provider's/supplier's deeming cycle.*
- **Impact on AOs:** *If an organization's deemed 36-month cycle lapses while the organization is under the temporary jurisdiction of the State Survey Agency (SA), CMS will not consider the AO late or as having missed a survey.*
- **Non-deeming Accreditation Surveys:** *CMS is not prohibiting an AO from conducting non-deeming accreditation surveys while an organization is under state jurisdiction; however, we recommend AOs suspend or postpone these activities.*
- **Complaint Investigation Guidance:** *CMS is providing additional guidance for complaint investigations and coordination among the SAs and AOs.*

**Overview and Clarification**

CMS may temporarily remove *the* deemed status<sup>1</sup> *of a provider or supplier accredited under a CMS-approved accreditation program* when a SA or Federal survey team identifies condition-

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<sup>1</sup> "Deemed status" means that a certified provider or supplier is in good standing under Medicare because it has been accredited by a CMS-approved accreditation organization and is a "deemed provider/supplier." CMS inspects the standards and processes utilized by such accreditation organizations periodically, and if CMS determines that the AO's standards and processes meet or exceed applicable Medicare requirements, CMS approves "deeming authority" for the AO for specific types of providers and suppliers. Any provider or supplier thereafter surveyed by such approved AO and found to have met Medicare's regulatory standards is recognized as a "deemed" provider or supplier.

level non-compliance during a survey. The *CMS Location* must advise the provider or supplier that its deemed status is *being* removed and that it is being placed under SA jurisdiction. *The CMS Location must also* advise the appropriate AO of this action in writing (*i.e., copying the AO on the enforcement letter to the provider or supplier*). *For providers or suppliers migrated to the Internet Quality Improvement and Evaluation System (iQIES) database, the CMS Location is also responsible for updating the deemed provider's basic profile (provider details) to reflect "Deemed-Under SA Jurisdiction".*

The *deemed* provider or supplier remains under SA jurisdiction until it either *brings itself back into* substantial compliance *with Medicare regulations*, or CMS terminates its Medicare participation. If the provider or supplier demonstrates substantial compliance with *federal standards* to the SA, CMS restores *its* deemed status. *For providers or suppliers that have migrated to the iQIES database, the CMS Location will also be responsible for updating the deemed provider's or supplier's basic profile status (provider details tab) back to "Deemed" (i.e., deemed status as approved), once CMS restores their deemed status.*

### **AO Instructions:**

*Upon notification from CMS that a deemed provider or supplier has been temporarily placed under SA jurisdiction, the AO should confirm when the provider or supplier is due for reaccreditation. AOs are to suspend or postpone any Medicare-related survey activities with respect to that facility while such facility is under SA jurisdiction, since CMS does not recognize the AO's "deeming authority" for that facility during the period of condition-level non-compliance. Furthermore, CMS will not recognize any AO reaccreditation/recertification determinations regarding that facility until CMS determines that the facility has demonstrated compliance with those requirements. The suspension of deeming accreditation surveys for affected accredited providers/suppliers will also prevent unnecessary burden on non-compliant facilities by allowing them to focus on coming into compliance with Medicare participation regulations.*

*AOs may continue to conduct non-deeming accreditation surveys for such a facility while an accredited provider/supplier is under SA jurisdiction. These activities may include, for example, accreditation of certain areas, such as Primary Stroke Center (PSC) certification, Home Care Certifications, ISO - International Organization for Standardization, or reviews of standards that exceed Medicare requirements, such as workplace violence expectations, safeguards, and training. However, since those surveys are not part of the regulatory AO reaccreditation (deeming) requirements, we recommend AOs suspend or postpone those activities to allow non-compliant providers/suppliers to focus on regaining compliance with the Medicare health and safety requirements.*

*If a provider/supplier's deemed status has been temporarily removed and the facility's deeming 36-month reaccreditation survey cycle lapses while it is under temporary SA jurisdiction, CMS will not consider the AO late or to have missed a survey. AOs are expected to conduct the reaccreditation survey (deeming survey) within 90 days after CMS restores deemed status. For example, if a provider or supplier is under SA jurisdiction and the deemed 36-month cycle lapses during that period, the AO would subsequently reset the 36-month cycle to account for the survey delay once deemed status has been restored. Conversely, if a provider or supplier is under SA jurisdiction for a short period (e.g., one month) and the deemed 36-month cycle lapses after AO jurisdiction had been restored, the AO would retain the existing 36-month cycle, as the impact on survey scheduling was minimal.*

*This policy memorandum does not apply to CLIA AOs. For additional guidance on CLIA AOs, refer to the State Operations Manual (SOM) Chapter 5, Sections 5570.5 and 5580, as well as Chapter 6, Section 6172.*

**General Complaint Guidance:**

***For providers or suppliers under temporary SA jurisdiction:***

*When a deemed provider or supplier is under temporary SA jurisdiction, the AO is expected to send all complaints, regardless of triage level, to the SA and the respective CMS Location within two business days. The CMS Location and SA are responsible for investigating these complaints. If the complaint was triaged as non-IJ medium or below, the SA must communicate to the AO whether it investigated the complaint during the period of SA jurisdiction once deemed status is restored. If the SA conducted the complaint investigation, the SA is expected to communicate the survey findings to the AO once deemed status is restored. If the SA did not investigate, the AO will be expected to investigate the complaint once CMS restores deemed status, or to track/trend the issue based on comparable processes to those in Chapter 5 of the SOM.*

***For deemed providers or suppliers NOT under temporary SA jurisdiction:***

*When deemed providers/suppliers are not under SA jurisdiction, and the AO receives a complaint that the SA has also received (e.g., complainant copied the SA), the AO should coordinate with the SA to avoid duplicating resources. The SA will determine the triage level and which entity will conduct the investigation. If triaged at IJ or Non-IJ High, and following CMS authorization, the SA will conduct the complaint investigation of the deemed provider or supplier as outlined in Chapter 5 of the SOM.*

***For complaints triaged as IJ by the AO:***

*When an AO receives a complaint and triages it as IJ, the AO must notify the SA within two business days of receipt, and the SA will initiate the complaint investigation within two business days of CMS authorization. We note that in the event the SA conducts the IJ complaint investigation and identifies condition-level non-compliance, the above process for temporary loss of deemed status will be implemented.*

***For complaints triaged as Non-IJ High or below:***

*For complaints received by an AO (and not the SA) and triaged at all other non-IJ levels, the AO will follow the timeframes for investigating complaints stated in Chapter 5 of the SOM.*

**Contact:** If you have any questions regarding this memorandum, please send inquiries to [AO\\_Applications@cms.hhs.gov](mailto:AO_Applications@cms.hhs.gov).

**Effective Date:** *for complaint investigation guidance – 60 days from issuance of the memorandum.*

**Effective Date:** *for all other provisions within this memorandum- Immediately.*

/s/

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**Resources to Improve Quality of Care:**

*Check out CMS's new Quality in Focus interactive video series. The series of 10–15 minute videos are tailored to provider types and aim to reduce the deficiencies most commonly cited during the CMS survey process, like infection control and accident prevention. Reducing these common deficiencies increases the quality of care for people with Medicare and Medicaid.*

*Learn to:*

- *Understand surveyor evaluation criteria*
- *Recognize deficiencies*
- *Incorporate solutions into your facility's standards of care.*

*See the Quality, Safety, & Education Portal Training Catalog, and select Quality in Focus.*

*Get guidance memos issued by the Quality, Safety and Oversight Group by going to [CMS.gov](https://www.cms.gov) And entering your email to sign up. Check the box next to “CCSQ Quality, Safety and Oversight (QSO) Memos, Admin-Info Memos, and Quality and Safety Special Alert Memorandums (QSSAMs)” to be notified when we release a memo.*