

Dated: May 23, 2003.

Thomas A. Scully,

Administrator, Centers for Medicare & Medicaid Services.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-2177-FN]

Medicare and Medicaid Programs; Approval of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) for Deeming Authority for Hospices

AGENCY: Centers for Medicare & Medicaid Services, HHS.

ACTION: Final notice.

SUMMARY: This notice announces our decision to re-approve the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) for continued recognition as a national accreditation program for hospice facilities seeking to participate in the Medicare or Medicaid programs.

EFFECTIVE DATE: This final notice is effective June 19, 2003 through June 19, 2009.

FOR FURTHER INFORMATION CONTACT: Cindy Melanson, (410) 786-0310.

SUPPLEMENTARY INFORMATION:

I. Background

Under the Medicare program, eligible beneficiaries may receive covered services in a hospice, provided certain requirements are met. Section 1861(dd)(1) of the Social Security Act (the Act) establishes distinct criteria for facilities seeking designation as a hospice program. Provider agreement regulations are located in 42 CFR part 489, and regulations pertaining to the survey and certification of facilities are located in 42 CFR part 488. The regulations at 42 CFR part 418 specify the conditions that a hospice facility must meet in order to participate in the Medicare program, the scope of covered services, and the conditions for Medicare payment for hospice care.

Generally, in order to enter into an agreement, a hospice facility must first be certified by a State survey agency as complying with the conditions or requirements set forth in part 418 of our regulations. Then, the hospice facility is subject to regular surveys by a State survey agency to determine whether it continues to meet these requirements.

There is an alternative, however, to surveys by State agencies.

Section 1865(b)(1) of the Act provides that, if a provider entity demonstrates through accreditation by an approved national accreditation organization that all applicable Medicare conditions are met or exceeded, we would "deem" those provider entities as having met the requirements. Accreditation by an accreditation organization is voluntary and is not required for Medicare participation.

If an accreditation organization is recognized by the Secretary as having standards for accreditation that meet or exceed Medicare requirements, any provider entity accredited by the national accrediting body's approved program would be deemed to meet the Medicare conditions. A national accreditation organization applying for approval of deeming authority under part 488, subpart A must provide us with reasonable assurances that the accreditation organization requires the accredited provider entities to meet requirements that are at least as stringent as the Medicare conditions. Our regulations concerning reapproval of accrediting organizations are set forth at § 488.4 and § 488.8(d)(3). The regulations at § 488.8(d)(3) require accreditation organizations to reapply for continued approval of deeming authority every 6 years or sooner as determined by us. The JCAHO's term of approval as a recognized accreditation program for hospice facilities expires June 18, 2003.

II. Deeming Applications Approval Process

Section 1865(b)(3)(A) of the Act provides a statutory timetable to ensure that our review of deeming applications is conducted in a timely manner. The Act provides us with 210 calendar days after the date of receipt of an application to complete our survey activities and application review process. Within 60 days of receiving a completed application, we must publish a notice in the **Federal Register** that identifies the national accreditation body making the request, describes the request, and provides no less than a 30-day public comment period. At the end of the 210-day period we must publish a notice in the **Federal Register** of our approval or denial of the application.

III. Provisions of the Proposed Notice

On January 24, 2003, we published a proposed notice in the **Federal Register** (68 FR 3532) announcing the JCAHO's request for reapproval as a deeming organization for hospices. In this notice, we specified in detail our evaluation

criteria. Pursuant to section 1865(b)(2) of the Act and our regulations at § 488.4, we conducted a review of the JCAHO application in accordance with the criteria specified in our regulation, which include, but are not limited to the following:

- An onsite administrative review of JCAHO's (1) corporate policies; (2) financial and human resources available to accomplish the proposed surveys; (3) procedures for training, monitoring, and evaluation of its surveyors; (4) ability to investigate and respond appropriately to complaints against accredited facilities; and (5) survey review and decision-making process for accreditation.

- A comparison of JCAHO's hospice accreditation standards to our current Medicare hospice conditions for participation.

- A documentation review of JCAHO's survey processes to:

- + Determine the composition of the survey team, surveyor qualifications, and the ability of JCAHO to provide continuing surveyor training.
- + Compare JCAHO's processes to those of State survey agencies, including survey frequency, and the ability to investigate and respond appropriately to complaints against accredited facilities.
- + Evaluate JCAHO's procedures for monitoring providers or suppliers found to be out of compliance with JCAHO program requirements. The monitoring procedures are used only when JCAHO identifies noncompliance. If noncompliance is identified through validation reviews, the survey agency monitors corrections as specified at § 488.7(d).

- + Assess JCAHO's ability to report deficiencies to the surveyed facilities and respond to the facility's plan of correction in a timely manner.

- + Establish JCAHO's ability to provide us with electronic data in ASCII-comparable code and reports necessary for effective validation and assessment of JCAHO's survey process.

- + Determine the adequacy of staff and other resources.

- + Review JCAHO's ability to provide adequate funding for performing required surveys.

- + Confirm JCAHO's policies for whether surveys are announced or unannounced.

- + Obtain JCAHO's agreement to provide us with a copy of the most current accreditation survey together with any other information related to the survey as we may require, including corrective action plans.

In accordance with section 1865(b)(3)(A) of the Act, the proposed notice also solicited public comments regarding whether JCAHO's