

## RURAL HEALTH CLINIC MEDICARE DEEMING AUTHORITY APPROVED

On Friday, March 23, 2012, the Centers for Medicare and Medicaid Services ("CMS") published a final Federal Register notice informing the public that an application for Rural Health Clinic ("RHC") deeming authority has been approved. This RHC deeming authority, the first of its kind, was granted to the American Association for Accreditation of Ambulatory Surgery Facilities ("AAAASF") and expires March 23, 2016. As a result, in addition to CMS, AAAASF is now able to confirm compliance with the RHC Conditions of Participation. Providers looking to open a new RHC or to convert a pre-existing clinic to RHC status will therefore be able to obtain a survey to confirm compliance with the Medicare Conditions of Participation on an expedited basis as compared to the ordinary Medicare survey process.

This is an important development since the current survey process for new RHCs is subject to a tiered priority system that serves to delay CMS/State Agency surveys for new RHCs. Specifically, CMS has implemented a four-tiered priority system. Under this system, subject to certain exceptions, highest priority for new surveys is given to Tier I providers (e.g., statutorily mandated surveys of existing nursing homes) while lowest priority for new surveys is given to Tier IV providers (e.g., surveys performed only if tier one through tier three surveys are completed).

Currently, RHCs are classified as Tier III providers. Practically speaking, this means that many providers applying for new RHC status must wait for long periods of time (often up to a year) before being able to obtain an RHC survey. We understand from AAAASF that unannounced surveys will be conducted within approximately 45 days after completed application materials have been received.

As noted above, the deeming authority for AAAASF gives providers looking to establish new sites as RHCs or to convert existing clinics to RHC status an option to obtain an expedited survey to confirm compliance with the Medicare Conditions of Participation. Given the fluid nature of the pending updates to the Health Professional Shortage Area ("HPSA") classification standards (a prerequisite for RHC status), this could be an important development for providers located in areas that may be at risk for losing HPSA designations.

Copies of the applicable survey materials may be found on the AAAASF website at: <http://www.rhcaccreditation.org>. AAAASF's annual accreditation fees range between \$1,655.00 (for less than two FTEs) to \$4,000.00 (for more than four FTEs).

If you would like additional information about any of these issues, please contact Todd A. Nova at 414.721.0464 or [tnova@hallrender.com](mailto:tnova@hallrender.com) or your regular Hall Render attorney.