Accrediting Your Office-Based Surgical Facility

It’s tough, but well worth it.

By: Cynthia M. Mercado-Ciessau, D.P.M., O. A. Mercado, D.P.M. & O. Kent Mercado, D.P.M., J.D.

Drs. Mercado have a unique, father, son, and daughter podiatric surgical practice in Oak Park and Carol Stream, IL.

Last summer, there was an ongoing dialogue taking place among the podiatrists interacting on PM-News, Podiatry Management’s listserv, concerning the merits of managed care. The question that was being bandied about was whether managed care has been good or bad for podiatry. While some of the commentaries were very heated, the one thing that everyone agreed on was that managed care is mostly interested in bottom line profits. MCO administrators are fundamentally business people who view the health care field as a business. They understand that in order to run a profitable business, you have to have standards that can be measured and replicated.

It is important, then, for managed care to know exactly what treatment and outcomes to expect for each diagnosis grouping and from each health care field. In essence, HMO’s have done what our profession has failed to do all these years: that is, to measure the efficacy of podiatric care and compare it to other health care specialists working on the foot and ankle. When all the statistics are in, podiatric medicine looks mighty good to the managed care officers looking around for where to spend their healthcare dollars.

So the question that begs an answer is not whether managed care has been good or bad for podiatry, the question that should be asked is: How can podiatry take advantage of what managed care has to offer? Simply stated, what managed care does is contract with an individual or groups of health care providers to service the needs of the patients that they represent. They are not interested in the petty little turf wars among providers; they are only interested in service. If you can provide the services that they want with consistently good outcomes and at a reasonable price, then they want to do business with you.

Your Practice is a Business

As podiatrists we sometimes are too parochial in our thinking, too limited. This is a new century, after all, and we have to learn to think outside of that self-imposed box into which we have put ourselves.

The first thing that we have to do to stay competitive in the healthcare market is to think of our practices as business organizations, like managed care does. Any business has to have a product indeed, that is its raison d’etre. The business of podiatry is simply to provide a service, the care of the foot and ankle. Our practices, then, are small health care organizations that provide that specialized service to the American public.
Like any health care business we have to have controls to insure the quality of the services rendered. This is where the setting of standards becomes so important. There have to be processes in place within your organization that will measure the standards of care that you are delivering. In order to do this there are numerous parameters that must be set up to measure those standards. Most importantly, the standards of care are the same for a small organization as they are for a large institution. This is perhaps the hardest core concept for a practitioner to understand. Your practice, which is a small health care organization, has to be held to the same standards of care as that of any large organization.

While this concept may seem like an impossible goal to attain in your practice, it really is not. In fact, if you have a successful practice, you probably are doing most of the things that the standards require. Where you probably need to improve is in the methodology and documentation of the application of those standards within your practice.

Setting the standards

The setting of measurable standards and getting your organization properly accredited, then, becomes of utmost importance if your practice is to remain viable and thriving in the new century. Practices per se are not accredited, but practices that have an operating room or rooms can be accredited as an office-based surgical facility.

JCAHO

In the last few years, more and more surgery in this country is being performed in office-based surgical facilities. So much so that in January of 2001 the Joint Commission on Accreditation of Health Care Organizations (JCAHO) decided to include doctors’ office-base surgical facilities under new standards. This was an important and historic step for JCAHO, which is best known for its role in setting standards and evaluating those standards in American hospitals and the Armed Forces Hospitals worldwide. In addition to the hospitals, JCAHO is the nation’s principal standards setter and evaluator for a variety of health care, long-term care, ambulatory care, behavioral health, and home care organizations, as well as health care networks, pharmacies, and laboratories.

JCAHO, the acronym commonly used in the health care profession to designate this august body, is dedicated to improving the quality of care provided to the public. As far as government agencies, health insurances, and managed care groups are concerned, JCAHO is the “Gold Standard” for the accreditation of health care facilities.

Most importantly, JCAHO is a trendsetter in the health care industry, and if they have decided to accredit office-based surgical facilities, it will not be long until health insurances and managed care groups decide to start requiring JCAHO accreditation in order for the facility to be paid.

Accrediting Your Office Based Surgical Facility
To obtain approval for your office based surgical facility, you first have to go through an accrediting organization (see sidebar), which will provide a list of requirements that must be met. When your facility is ready to undergo the process of accreditation, the accrediting organization will send a representative who will do an on-site survey of your facility and grade you on how well your facility is meeting those requirements. If your facility meets their criteria, then accreditation will be granted.

The process of getting your facility ready for accreditation can be both arduous and instructional. Quite frankly, at times it will be very frustrating and there will be many moments while getting ready for the on-site survey that you and your staff will wonder if it is all worth the expense and hard work required. In the end, the accreditation process will reveal the strengths and weaknesses of your facility and will teach you and your staff how to work as a team and to think of yourselves as a health care organization.

Most importantly, when you are accredited, it will tell health insurance companies, managed care agencies, referring physicians and your patients that your facility adheres to the same strict standards of care that are consistent with those in place at any other surgical facilities in the health care industry. This is a powerful message that will do a great deal of good for your organization. First, it will give you and the services you offer great credibility and acceptance, thus making your facility readily marketable. Also, as an accredited office based surgical facility you will be able to charge a facility fee over and above your surgical fee.

We are finding that many insurance companies now pay office-based surgical facility fees. Some will pay the entire fee, while others will only pay part of the fee. There are also other insurance companies, managed care groups and Medicare that will only pay facility fees to certified state licensed surgical facilities. In our state (Illinois), for a facility to be state-licensed, it has to be free standing. This necessitates a certificate of need before the facility can even be built. This process is not only extremely expensive, since there are strict building codes that have to be adhered to, but can also be very political. Also, in many metropolitan areas, certificates of need are no longer available.

In some states, however, all it takes to become a certified licensed surgical facility is to have accreditation by an accrediting organization. That means that in those particular states (you will have to check with your individual state to see what its requirements are) your office based surgical facility can be licensed by the state without having to acquire a certificate of need or build a new structure. If this is the case in your state, then this will be great news for you since most insurance companies, managed care groups and even Medicare will pay the facility fee of any certified state licensed surgical facility.

As more practices around the country move towards accreditation of their office-based surgical facilities, insurance companies and managed care groups will have to go along with the trend and recognize the legitimacy of the office-based surgical facility claims, even if the facility is not state licensed. It will make perfect sense to them, since surgery at an accredited office-based surgical facility, in addition to being very convenient to the patient, will be far less expensive than at the hospitals or surgi-centers.
Going Through the Process of Accreditation

Our facility has gone through the process of accreditation by two agencies. The most recent on-site survey that we went through was for JCAHO, last fall. Since the review process is still fresh in our minds, and since our group of five individual office-based surgical facilities was the first podiatric group to be surveyed by JCAHO for office based surgery in the country, we feel that we can pass on to you some tips that might make the process easier for your organization.

The first accreditation that we obtained for our facility was from the Accrediting Association for Podiatric Surgical Facilities (AAPSF). That was in 1996. The AAPSF is a pioneering accreditation group for podiatric facilities and is based in Atlanta, Georgia. They are very thorough. To get ready for their first on-site visit, we hired a professional consultant, who put us through our paces and made sure that we had all the required documentation up to date and that our facility was compliant. We learned a great deal from the consultant and the money spent for her expertise was well worth it. Three years later, during our re-credentialing on-site survey by AAPSF, we did our own documentation and hired the consultant only to perform an in-house audit prior to our survey.

After our first AAPSF accreditation we learned that there were a total of eleven podiatric offices in our state that had office-based surgical facility accreditation. Since we all had similar problems with billing, maintaining and updating standards, we decided to form a group that would exchange information and ideas to help the members with any of their office-based surgical facility problems. The idea for the group was fashioned after the many study groups that were formed by podiatrists around the country in the 60’s and 70’s. This was a time when many changes were occurring in the profession with the inclusion of podiatric care in the Medicare Act, hospital privileges for podiatrists, and, finally, with the rapid growth of foot surgery.

Physicians’ Focus Group

We call our group The Physicians’ Focus Group and it consists of the office based surgical facilities of the following members: Drs. Jack Chulengarian, Carl Cortese, James Elipas / John Flanagan, Fortunee Massuda, Rick Mendoza, Ronald Riegelhaupt, and George Tsatsos.

The Physicians’ Focus Group has no dues. We meet on a quarterly basis, sooner if we need to, and the individual members host the meetings on a rotating basis. Sometimes we meet at a restaurant (there are plenty of drug companies that are more than willing to pick up the tab) or at one of the members’ offices. The office meetings have proven to be the best because not only do we get more work done, but we also have the advantage of meeting and getting to know the hosting member’s staff. This has allowed the members’ staffs to network with the staff of other offices, resulting in an exchange of ideas that has been a gold mine of information for all of us.

Important information is exchanged that ranges from how to charge for the surgical facility fees; where to get the best bargains in surgical equipment and materials; to finding a technician that will fix a broken-down Kiddie Cuff. This inter-office networking has been so helpful that Sue Miceli, the office manager for Dr. Elipas’ office, has started a group for managers to review issues that are pertinent to them.
At the meetings we also have interesting case presentations and peer review of files, something that is required by the accrediting agencies. Our meetings count as required quarterly meetings and have been approved by our state society (IPMA) for CME credits. Our aim is to bring as many ideas as we can to each meeting and to try to resolve the mutual problems that we have. The Physicians’ Focus Group is really a “think-tank” with a spotlight on office-based surgical facilities. The meetings are informal and when we start on a subject ideas are freely given. If necessary, ad hoc committees are quickly formed to study issues and resolve problems.

Last year, when the principal author of this article (CMMC) first heard about JCAHO’s new program for accreditation of office-based surgical facilities she quickly set up a meeting at their headquarters with Mike Dye, Associate Director of Ambulatory Care Program Development. Accompanying her to that meeting were Dr. Carl Cortese and Ms Ann Storjohann (COO of Dr. Massuda’s 11 clinics). These individuals were astute not only in podiatric medicine and surgery, but in business administration and the accreditation process. The net result was that five of our facilities went through the JCAHO’s accreditation process during one week last November, another during the month of December, and another in February of 2002. All of the members were granted accreditation and JCAHO was extremely impressed with our group. We were told that the leadership quality in our individual facilities was as good as any other healthcare facility that they have accredited and better than most.

Recommendation for Accreditation

We highly recommend getting your facility accredited as an office-based surgical facility. The health care industry has to have a recognized method of accreditation of these facilities so that they can be confident that the standards of care are being met. You as a practitioner can no longer think of your practice as existing in a vacuum. Your facility is part and parcel of the health care system of this country; indeed, it is a conduit to that system. By being accredited, gain recognition and acceptance within that system.

The process of accreditation is not easy, but it is an achievable goal for you and your staff. We have listed (see side bar) the accrediting agencies and contact persons. You begin the process of accreditation of your facility by getting in touch with the accrediting agency. You will find that the agencies are extremely helpful and willing to work with you and your staff. If you are doing the accreditation process for the first time, it might be a wise idea to hire a consultant to help you with part or all of the accreditation process. The expertise and cost of consultants vary. Study your options carefully. Feel free to contact our Physicians’ Focus Group members for names.

We also suggest that you get together with other podiatrists in your state that are interested in achieving, or who have already achieved, office-based surgical facility accreditation. This will not only allow exchange of ideas, but it will also allow you to form a marketable group to insurance companies. We have been blessed in podiatry with some wonderful minds that are just as bright as the best that the medical field and business world have to offer. It is a wonderful resource that is there for the asking. Take advantage of it, and good luck with your accreditation process.
Accrediting Organizations

Currently there are three major groups that will accredit office based surgical facilities. These are:

1. Accrediting Association for Podiatric Surgical Facilities (AAPSF)

This group is based in Tucker, Georgia and accredits only podiatric surgical facilities. This is the group that has been accrediting podiatric surgical facilities the longest.

Contact:

Win Butlin, D.P.M.
Peach Tree Podiatry Group
2193 North Lake Parkway
Tucker, Georgia 30084
(770) 938-5974

2. Accreditation Association for Ambulatory Health Care, Inc.

Triple A accredits many specialties, including ophthalmological, plastic and podiatric surgery. It is probably the most expensive accreditation of the group to obtain, because AAA has many strict requirements for the facility’s physical plant. Most podiatric office operating rooms will not qualify.

Contact:

Accreditation Association for Ambulatory Health Care, Inc.
9933 Lawler Ave.
Skokie, Illinois 60077
(847) 853 – 6060
E-mail: Info@aaahc.org

3. Joint Commission on Accreditation of Health Care Organizations
JCAHO is the newest of the group to accredit office-based facilities, but their long experience and important standing in the health care field make it the most prestigious accreditation to obtain. Since they accredit office based surgical facilities, most podiatric offices with O.R.’s will qualify. Most importantly, your facility will be accredited as an office based surgical facility, not a podiatric surgical facility. This means that if in the future you desire to sell your facility, it can be sold to a hospital or to any surgical specialty group, since the facility accreditation can be transferred.

Contact:

Mike Dye
Associate Director Ambulatory Care Program Development
Joint Commission on Accreditation of Health Care Organizations
One Renaissance Terrace
Oak Brook, Illinois 60181
(630) 792-5259
E-mail: mdye@jcaho.org.