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Guidance on Co-Location in Provider-Based Space Is Coming; Yes to Elevators, No to Staff

By Nina Youngstrom

Any moment now, CMS will release guidance on the co-location of space and services at provider-based departments, a persistent compliance challenge for some hospitals, and it will focus on health and safety, a CMS official said. The guidance will probably say that provider-based departments are permitted to share some space with freestanding clinics, such as waiting rooms, elevators and bathrooms, without jeopardizing their provider-based status.

“It’s hard to justify that’s a risk to health and safety,” said David Wright, acting deputy director of the CMS Center for Clinical Standards and Quality, March 21 at the Institute on Medicare and Medicaid Payment Issues sponsored by the American Health Lawyers Association in Baltimore. Other aspects of co-location worry CMS. For example, “we can’t allow shared staffing” because provider-based entities are required to be distinct operating units and independently meet the Medicare conditions of participation. He also said “we have concerns about the commingling of patients” for health and safety reasons, which will be addressed in the guidance. “We talk about shared hallways if patients have to go to inpatient space to get from one service to another. It’s important to have restrictions” for privacy, confidentiality and infection control. The forthcoming guidance will discuss lease arrangements “in terms of being able to allow physicians to use space in hospitals and see patients, especially in rural hospitals. But we don’t want to get in the way of doing that,” Wright said. And some things clearly shouldn’t be shared, such as crash carts, “so there’s no confusion about who is responsible for providing what.”

The guidance will be fewer than 10 pages and may come in the form of a survey and certification letter for surveyors who evaluate compliance with Medicare conditions of participation. Hospitals should expect it “very soon—in days or weeks tops,” Wright said. The guidance is designed “to provide clarity to surveyors and hospitals about our expectations. Co-location has been a hodgepodge of regional office guidance, and it has created a lot of confusion.”

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