

## Thinking of starting an ASC? Know what you're in for

by **Joycelyn Youngblood**

You belong to a solvent medical group that is in the process of exploring opportunities for expansion and increasing profitability—collectively a decision is made to consider the feasibility of an ambulatory surgical center (ASC). Your group has discussed the preliminaries of determining the

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ownership structure and designing the physical plant. The next step is to address the bureaucratic process you must comply with to be eligible to submit your claims.

This is particularly important if you are a urology group because reimbursement for your specialty will be lower than others, such as orthopedics and podiatry. The ability to generate fewer dollars increases the amount of "risk" associated with such an enterprise. It is not a bad idea to conduct a simple feasibility exercise as you continue the assessment process. Be aware that what follows are simply suggestions of what steps you may take and not intended to be a complete guide to the process.

Complete all necessary applications well in advance to avoid delays in opening. You must apply for the following: state license (in most states there is a certificate of need or exemption required for a physician's office ASC); Medicare certification (Medicare 855 form); pharmacy license (if required); Drug Enforcement Agency (DEA) license; and waivers for Clinical Laboratory Improvements Amendments (CLIA) and other necessary requirements.

Construction must be approved by your state. It is important that knowledgeable architects and engineers are hired to ensure your building is in compliance with the codes of your state and national fire protection codes. Your contractor must obtain a certificate of occupancy. Once construction is completed there will be building inspections for compliance with licensure requirements as well as codes and state requirements to ensure that it was built correctly. A Medicare certification survey will also be conducted.

Determine if you need additional accreditation and which one is important to have. Both the Joint Commission on the Accreditation of Healthcare Organizations and the Accreditation Association for Ambulatory Health Care offer accreditation processes.

Once it is constructed, your facility must be ready to receive and treat patients. This means that your staff should be hired and trained; equipment must be in place and in-services for their use documented; a crash cart must be set up with drugs; controlled substances secured in accordance with DEA regulations; and formularies should be completed. Additionally, all applications for licensure must be submitted, fees paid, Medicare forms submitted and CLIA waiver in place, etc.

Don't forget electronic systems functioning to set appointments, document procedures, complete billing, create medical records, etc.

This is just the beginning. There are other issues to consider in order to be reimbursed. Keep in mind that there are other agencies -- Occupational Health and Safety Administration (OSHA), the DEA, the American with Disabilities Act (ADA), the American Society of Anesthesiology (ASA), the National Fire Protection Association (NFPA) and regulations -- laboratory testing, general anesthesia, medical devices, controlled substances, and operating room procedures to be satisfied. These will also determine how business should be conducted and whether you get paid. Be prepared to provide substantiation that the rules have been followed and when.

Then there are medical staff credentialing tasks, vendor agreements, third-party payer contracts, patient-care considerations and more.

If you are getting the message that starting an ASC is a complex decision with a myriad of tedious processes, then you are correct. It is a good idea to enlist the services of a consultant experienced in ASC start-ups to assist your practice. Make sure you fully understand what is expected and what it will cost to make it happen. ■