



Center for Clinical Standards and Quality/Quality, Safety & Oversight Group

Ref: QSO 18-12-Deemed Providers/Suppliers  
**REVISED 08.27.2018**

**DATE:** January 12, 2018

**TO:** State Survey Agency Directors

**FROM:** Director  
Quality, Safety & Oversight Group (*formerly Survey and Certification Group*)

**SUBJECT:** Clarification of the Accrediting Organization's (AO's) Role when a Provider or Supplier's Deemed Status has been Temporarily Removed  
*\*\*\* Revised to clarify AO Expectations and Processes Related to its CMS-approved Accreditation Program\*\*\**

Memorandum Summary

- **Temporary Removal of Deemed Status:** It is imperative that the Centers for Medicare & Medicaid Services (CMS) notify the appropriate AO when deemed status is removed and a provider or supplier is placed under State Survey Agency (SA) jurisdiction.
- **Impact on AOs:** CMS will not accept any accreditation decisions or recommendations made by an AO based on a Medicare accreditation survey conducted while the provider or supplier is under SA jurisdiction.
- **Delay of Triennial Survey:** Temporary removal of deemed status **should not delay survey or accreditation surveys due to the temporary removal of deemed status.**

Overview and Clarification

CMS may temporarily remove deemed status (and therefore AO jurisdiction) when a State Agency (SA) or Federal survey team identifies condition-level non-compliance in a deemed provider or supplier during either a representative sample or substantial allegation validation survey. The Regional Office (RO) must advise the provider or supplier that its deemed status is removed and that it is being placed under SA jurisdiction. It is also imperative that the RO advise the appropriate AO of this action in writing.

The provider or supplier remains under SA jurisdiction until it either demonstrates substantial compliance or CMS terminates its Medicare participation. If the provider or supplier demonstrates substantial compliance to the SA, CMS restores its deemed status. *However, the AO is expected to continue to implement and follow the policies and survey processes of its CMS-approved accreditation program during this time.* There is no prohibition against an AO also conducting its own survey of a provider or supplier that is temporarily under SA jurisdiction. *This includes the expectation that the AO conduct all required reaccreditation surveys, follow-up surveys, and complaint investigations within its CMS-approved timeline.*

*No accreditation decisions or recommendations made by an AO based on a Medicare accreditation survey conducted while the provider or supplier is under SA jurisdiction will be acted upon by CMS, until such time as the provider's or supplier's deemed status has been reinstated. Once deemed status has been returned, the RO may then process all recommendations made by the AO.*

**Contact:** If you have any questions regarding this memorandum, please send inquiries to the accreditation e-mailbox at [scgaccreditationco@cms.hhs.gov](mailto:scgaccreditationco@cms.hhs.gov).

**Effective Date:** Immediately. This policy should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators within 30 days of this memorandum.

/s/

David R. Wright

cc: Survey and Certification Regional Office Management