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DNV Healthcare Inc's Accreditation Program for Hospitals Approved by CMS

Executive Summary

On September 26, 2008, the Centers for Medicare and Medicaid Services (CMS) approved Det Norske Veritas Healthcare Inc.'s (DNVHC) accreditation program, National Integrated Accreditation for Healthcare Organizations (NIAHO) as a new option for hospitals desiring voluntary accreditation. NIAHO joins The Joint Commission (TJC) and the American Osteopathic Association's Healthcare Facilities Accreditation Program (HFAP) as the third national accrediting organization having "deeming authority", meaning, if a hospital is accredited by NIAHO, it is deemed as meeting the Medicare and Medicaid certification requirements. With "deemed" status, the hospital is not subject to the Medicare survey and certification process. According to *Modern Healthcare*, as of October, 2008, NIAHO has accredited 27 hospitals in 22 states.¹ NIAHO's approach is to use each hospital's own practices as the basis for developing customized policies and procedures for quality management. Hospital staff members are trained to monitor the hospital's quality operations while NIAHO auditors carry out annual surveys to verify compliance with the hospital's quality program.²

Highlights of the NIAHO

What is new and different about NIAHO, is that in addition to requiring compliance with the Medicare Conditions of Participation as do TJC and HFAP, NIAHO also requires hospitals to meet what are known as "ISO 9001" quality management system standards. The ISO 9001 standards are maintained by ISO, the International Organization for Standardization, a non-governmental organization based in Geneva, Switzerland.³ Largely unfamiliar in health care organization settings in the United States to date, ISO 9001 is an internationally established quality framework, currently being used by roughly 897,000 organizations in 170 countries worldwide.⁴ While the

¹ Jean DerGurahian, *DNV Setting New Standard*, *Modern Healthcare* (Oct. 27, 2008).

² *Id.*

³ <http://www.iso.org/iso/about.htm>

⁴ <http://www.bsi-global.com/en/Assessment-and-certification-services/management-systems/Standards-and-Schemes/ISO-9001/>

ISO 9001 standards originally were developed for use in industry, the standards may be applied in the health care setting and NIAHO has issued ISO certificates to greater than 1,000 health care facilities worldwide.⁵ Under the ISO 9001 system, hospitals "establish, document and implement a quality management system and use such system to implement processes that support continuous quality improvement and better patient outcomes".⁶

Following are some highlights of the NIAHO accreditation process⁷:

1. *A Medicare deemed status survey consists of a survey for compliance with the NIAHO accreditation standards and compliance with or certification to the ISO 9001 Quality Management System within two years of initial NIAHO accreditation.*
2. *Continuing NIAHO accreditation requires a successful annual survey that confirms continuing compliance with NIAHO standards and continued ISO 9001 compliance or certification following the ISO 9001 two-year grace period.*
3. *Once ISO 9001 compliance or certification is obtained, continued compliance or certification depends on annual limited-scope ISO periodic surveys and a full ISO compliance or certification survey done triennially. The triennial ISO compliance or certification survey as well as the annual ISO periodic surveys, done in intervening years, take place concurrently with the annual NIAHO accreditation survey.*
4. *The length of the accreditation/compliance/certification survey and the number of survey team members are determined by the size and complexity of the applicant organization; the team consists of at least two members, a nurse or physician and a "life safety specialist".*
5. *The team leader requests production of a whole host of documents for survey purposes (e.g., organizational chart, list of current patients, current surgical schedule, bylaws, policies and procedures, minutes of quality committee and environment of care/safety committees.) In addition, for ISO 9001 compliance purposes, the following documents are incorporated into the review process: internal audits, corrective action, preventative action, quality objectives, quality manual and quality policies, among others.*
6. *For hospitals with either no or a small number of off-campus provider-based locations, the survey team surveys all departments, services and locations that bill under the organization's provider number. For hospitals with many provider-based locations, the survey team surveys:*
 - a. *All hospital departments and services at the primary*

⁵ American Hospital Association Quality Advisory: *New Hospital Accreditation Program Offers Hospitals More Choices*, (Oct. 7, 2008) published at: <http://www.aha.org/aha/advisory/2008/081007-quality-adv.pdf>

⁶ Id.

⁷ NIAHO Accreditation Program Accreditation Process eff. 10/23/2008 and found at:

http://www.dnv.com/industry/healthcare/services_solutions/hospital_accreditation/index.asp

- campus and on the campuses of other remote locations of the hospital;*
 - b. All satellite locations of the hospital;*
 - c. All inpatient locations of the hospital;*
 - d. All outpatient surgery locations of the hospital;*
 - e. All locations where complex out-patient care is provided by the hospital; and*
 - f. A sample of each type of other services provided at additional provider-based locations.*
- 7. Contracted patient care activities or patient services located on campus or in provider based locations are surveyed as part of the hospital for compliance with applicable requirements.*
 - 8. During the survey, the surveyors pay particular attention to the following:*
 - a. Patient care, including treatments and therapies in all patient care environments;*
 - b. Staff member activities, equipment, documentation and building structure;*
 - c. People, care, activities, processes, documentation, policies, and equipment;*
 - d. Integration of all services to determine that the facility is functioning as one integrated whole;*
 - e. Whether quality improvement is an organization-wide activity, incorporating every service and activity of the organization;*
 - f. Whether every organization, department, and activity reports to and receives reports from the organization's quality management oversight, facilitating the organization-wide quality management system;*
 - g. Awareness and the effectiveness of the hospital's quality management system; and*
 - h. Storage, security and confidentiality of medical records.*
 - 9. Surveyors conduct a patient-focused survey using medical record reviews, observation and patient and staff interviews. Surveyors select patients who represent a cross-section of the patient population and services provided at the hospital.*
 - 10. Post-survey, the survey team issues a preliminary report noting "nonconformities" and "opportunities for improvement". A final survey report is provided to the hospital within 10 days of the last date of the survey. For any documented nonconformities, a corrective action plan must be delivered to DNVHC within 10 days from the date of the written report.*

For additional information on the NIAHO accreditation process and for links to the accreditation materials, you may go to DNV's website at:

http://www.dnv.com/industry/healthcare/services_solutions/hospital_accreditation/index.asp

Conclusions and Recommendations

Hospitals considering their Medicare/Medicaid certification and accreditation options now have a third choice of accrediting agencies. In view of the current considerable focus on quality in the health care industry and ISO's reported success in quality management, the NIAHO program offers a valuable new accreditation alternative worthy of further investigation.

For further information, please contact your local counsel or Adele Merenstein at Hall, Render, Killian, Heath & Lyman, P.C., at 317/633-4884.

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