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The governing body of an ambulatory surgery center (ASC), like that of any kind of business or organization, must define the center’s direction and manage the center’s effectiveness. To do so, this body must develop the organizational reporting structure—the chain of command. Whether the ASC is owned by a single practice or is syndicated, with an ownership structure that includes physicians and corporate backing, that chain of command is the backbone of ASC governance.

The governance of the ASC is directed by the following documents:

- Governing body bylaws
- Medical staff bylaws
- Medical staff rules and regulations

To be most useful, governing body bylaws and medical staff rules and regulations may be defined as specific policies. We include such policies later in this chapter.

**Governing board**

The governing board will be configured to reflect the ASC’s ownership. That is, if physicians own 70% of the venture, they will have board control via 70% of the votes. The makeup of the board is typically a percentage of the owners, along with the administrator.
Chapter One

If the surgery center is a single-practice facility, the governing board may serve as a “committee of the whole.” That is, it may be responsible for all activities, including those that would be handled by committees in a larger center.

In any size center, however, the governing body must accept accountability for all activities that occur in the ASC. The governing board dictates financial allocations and oversees, at a high level, the operations of the ASC.

Attachment 1.1 on p. 3 contains a sample policy concerning the requirements of a governing board. Attachment 1.2 on p. 5 is a sample policy that further outlines governing body activities for a “committee of the whole.”
**PURPOSE:** To identify the requirements of the governing body.

**POLICY:** The governing body is responsible, either directly or by professional delegation, for the operation and performance of the company.

**RESPONSIBILITIES:**
The governing body’s responsibilities include but are not limited to the following:

1. Determining the mission, goals, and objectives of the organization and ensuring that the facility and personnel are adequate to carry out the mission.
2. Establishing an organizational structure and specifying functional relationships among the various components of the organization.
3. Adopting bylaws or similar rules and regulations for the orderly development and management of the organization.
4. Ensuring that the quality of care is evaluated, and that problems are identified and appropriately addressed.
5. Adopting policies and procedures necessary for the orderly conduct of the organization, including the organization’s scope of clinical activities.
6. Reviewing all legal and ethical matters concerning the organization and its staff, and responding appropriately when necessary.
7. Maintaining effective communication throughout the organization, including ensuring a linkage between quality management and improvement activities and other management functions of the organization.
8. Establishing a system of financial management and accountability appropriate to the organization.
9. Determining policies on the rights of patients and operating the facility in accordance with same.
10. Approving and ensuring compliance of all contracts and arrangements affecting the care provided, including but not limited to...
### ATTACHMENT 1.1

**Requirements of Governing Board (cont.)**

- a. the employment or contracting of healthcare professionals
- b. the provision of after-hours patient care
- c. the provision of pathology, radiology, and medical laboratory services
- d. CMS requirements
- e. the activities or services delegated to another entity
- f. the provision of education to students

11. Formulating long-range plans in accordance with the organization’s mission goals and objectives.
12. Implementing an appropriate risk management plan.
13. Implementing a continuing education policy for personnel.
14. Implementing policies that comply with OSHA regulations on occupational exposure to blood-borne pathogens.
15. Operating the organization’s facilities and environment in a safe manner.
16. Operating the organization without limitation because of race, creed, sex, or national origin.
17. Ensuring that all marketing and advertising concerning the organization does not imply that it provides care or services that it is not capable of providing.
18. Establishing a mechanism to fulfill obligations under the Americans with Disabilities Act, the Health Insurance Portability and Accountability Act (HIPAA), Fraud and Abuse regulations, and Self-Referral laws.
19. Adopting policies and procedures to resolve grievances and external appeals.
20. Developing and implementing standards for participation of facilities with managed-care organizations seeking accreditation.
21. Complying with HIPAA.
22. Developing a program of risk management.
23. Determining a policy on continuing education for personnel.
24. Establishing processes for the identification, reporting, analysis, and prevention of adverse incidents, and ensuring consistent and effective implementation of those processes.
ASC Governance/Organizational Structure

**Attachment 1.2 Governing Board Leadership Activities**

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**Approved by:**

Committee of the whole policy:

**Governing board leadership activities**

The governing body is responsible for the ongoing management functions listed. Surgery center programs will be reviewed quarterly or ad hoc. Staff members will be delegated to monitor and report to the governing body the following activities for each of the programs listed:

- Setting policies and objectives for surgery center
- Appointing professional medical staff and medical doctors
- Establishing effective mechanisms for quality management and improvement
- Ensuring accountability for medical staff and professional personnel

**Quality Management and Improvement:**

- Reviewing patient care and functions of the company
- Proposing changes to quality management and improvement plan, and establishing new quality management and improvement indicators and monitoring mechanisms
- Reporting and proposing solutions for identified problems
- Proposing changes in the surgery center

**Medical record audit/utilization review:**

- Reviewing medical records for timely completion
- Tracking quality management and improvement indicators
- Notifying appropriate persons of findings
- Approving forms and revisions
- Tracking statistics related to patient care, costs, and administrative functions

**Infection control:**

- Reviewing patient data for possible postoperative infections
Committee structure

Larger facilities or multispecialty centers may have a medical advisory committee (MAC) that provides oversight for the clinical operations of the ASC. The MAC, which reports to the governing board, will have a chair, a position that may be filled by the medical director or may be rotated, depending on the medical staff bylaws. All physician owners should be given an opportunity to participate on this committee.
Additional committees that should be considered include the following:

- Quality management and improvement
- Infection control
- Credentialing and peer review
- Tissue
- Risk management
- Safety

An ASC should not become overwhelmed by committee structure. Committees should be functional and should not exist in name only. Many committee functions are, in fact, performed by the ASC’s clinical staff and reported at the committee meetings. Organizing it that way is okay—it is a better use of staff time. Some committees, however, do require physicians to participate actively. For example, the Accreditation Association for Ambulatory Health Care (AAAHC) requires that two physicians sit on the quality improvement committee to provide the physician input that is necessary in the committee’s function.

A governing body should keep accurate minutes of actions taken and issues discussed at meetings. Provide evidence that actions were authorized properly and that the directors fulfilled their obligation to consider carefully any measures taken.

A governing body must ensure that the ASC complies with applicable laws.
Chapter One

Medical director

An ASC medical director, who may provide the clinical oversight for both surgical and anesthesia functions, must

- be a practicing physician
- be a respected member of the staff
- be on-site a majority of the time
- have strong understanding of ASC culture

Many of the physicians credentialed in the ASC have experience on hospital committees at their local facilities and understand the dynamics of the role. Compensation for the medical director position is specific to the organization.

Medical staff

The ASC medical staff will be responsible to the medical advisory board or to the governing board. Members must undergo credentialing and privileging, just as do those in a hospital, and a list of approved procedures will dictate what procedures are performed in the facility and which physicians may perform them.

Medical staff must participate in all reporting to the ASC. Just as in a hospital, they must participate in peer review, according to policy, and provide infection control statistics.

Because staff members may believe the facility runs in accordance with the owner’s desire, managing a medical staff in a freestanding facility can be difficult at times. But even though the ASC may be an extension of a physician’s office, it must follow clear regulations so that it does not incur fines. The ASC is one of the most highly regulated types of facility in the healthcare industry, and appropriate procedures must be maintained.
Administrator

The administrator position provides leadership oversight for the ASC. The size of the facility dictates the role of the administrator, so consider the role and responsibility of this position and whether it is needed.

This position may be either clinical or business-focused in nature. If there is a strong billing staff and a clinical manager who can perform the management functions involved in overseeing both the financial and the clinical aspects of the organization, a separate administrator position may not be needed and, in fact, may cause unnecessary problems.

Nursing director/clinical manager

The nursing director/clinical manager position is a valuable in the ASC. This employee must be an effective leader, manager, and staff member. He or she may wear many hats, from housekeeper and attendant to staff nurse, manager, and facilitator, among many other responsibilities. The choice of a professional to serve in this position can make or break the surgery center.
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