

APPENDIX D
ORGANIZATIONAL PROVIDER PARTICIPATION CRITERIA
FREE STANDING AMBULATORY SURGERY FACILITIES (ASF)

DEFINITIONS:

An ASF is a facility that is licensed in Michigan as a freestanding surgical outpatient facility (FSOF). The facility provides surgery as defined by state Certificate of Need (CON) standards and related care that can be performed without requiring inpatient hospital care and it is located in a structure that is other than the office of a physician or other private practice office.

In order to be considered for membership in the Priority Health network, an ASF must go through a two-step process.

Step One: Evidence of Need (EON) Approval

1. ASF must have a CON approval and be licensed in the State of Michigan.
2. ASF must submit an Evidence of Need letter reporting the facility's volume and number of operating rooms. The facility's owner or an authorized officer must sign the letter.
3. Priority Health requires that a facility operate at a minimum volume of 1128 surgical cases or 1219 hours per operating room per year. These volumes must be maintained over the life of the contract. Volume information must be submitted to Priority Health every quarter and the ASF must agree to auditing of the volume information. If the ASF does not meet volume criteria, Priority Health maintains the right to terminate the contract or require that one or more operating rooms be deactivated.

Multi-specialty facilities are defined as any facility that performs surgery within two or more different body systems. Single-specialty facilities are defined as any facility that performs surgery with only one body system.

Priority Health definition of an operating room is the same definition used by the Michigan Department of Community Health.

Step Two: Once Priority Health approves the EON, facility must submit a full application for review and must provide proof that it satisfies the following listed criteria.

4. Accreditation from one of the following recognized accrediting bodies: JCAHO (Joint Commission on Accreditation of Healthcare Organizations), AAAHC (Accreditation Association for Ambulatory Health Care), or AAAASF (American Association for Accreditation of Ambulatory Surgical Facilities).
5. Good standing with state and federal regulatory bodies, as applicable.
6. Good standing under the Medicare and Medicaid programs, as applicable.
7. Current professional liability insurance coverage with minimum limits of \$1 million per occurrence and \$3 million aggregate.
8. An absence of a history of involvement in a malpractice suit, arbitration, or settlement; or, in the case of an organizational provider with such a history, evidence must be provided that the history of malpractice involvement is not predictive of probable future substandard professional performance which could include a corrective action plan.

9. An absence of a history of denial or cancellation of professional liability insurance; or, in the case of an organizational provider with such a history, evidence must be provided that the history is not indicative of probable future substandard professional performance.
10. An absence of a history of (in the sole discretion of Priority Health) inappropriate utilization of medical resources.
11. An absence of any history, in addition to that specified in other Criteria, that in any way is indicative of probable future substandard professional performance.
12. Compliance with all Priority Health rules, regulations, bylaws, and the terms of its participation agreement.
13. Demonstration of its willingness to provide appropriate and necessary emergency or nonemergency medical treatment within the scope of its services to any patient seeking treatment, regardless of the patient's ability to pay.
14. Organizational providers shall not be known to have made any misrepresentation to Priority Health's Board of Directors, employees, agents, or enrollees regarding the provision of services to enrollees.
15. Organizational providers shall not have falsified information on their applications or failed to notify the Credentialing Committee regarding relevant changes in their status.
16. Organizational providers shall agree to accept assignment of responsibility for credentialing and recredentialing all physicians, nurse midwives, physician assistants, nurse practitioners, and other licensed professionals whom organizational provider directly employs or contracts with per the organizational provider's credentialing and recredentialing policy.
17. Facility must participate with all Priority Health products.
18. Must have a quality improvement plan.
19. Must conduct a patient satisfaction survey and develop an improvement plan based on the results.
20. Recredentialing: Re-credentialing will occur every three (3) years and will include review of all of the elements listed above. Particular attention will be paid to the following issues:
 - Operating room volumes
 - Appropriate utilization of services
 - Quality of care
 - Patient satisfaction results