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By Nina Youngstrom

When a hospital receives services under contract at a co-located hospital, the services have to be separately provided except when it's impractical, according to CMS officials.

"Contracted services may not be provided simultaneously to another entity," said Danielle Miller, a hospital lead in the CMS Division of Acute Care Services, at a June 5 webinar on co-location sponsored by the American Health Lawyers Association. However, there is some leeway. Although CMS's May 3 draft *Guidance for Hospital Co-location with Other Hospitals or Healthcare Facilities* prohibits co-located hospitals from sharing contracted staff during a shift, Miller said that may not always apply to contracted services. For example, the pharmacy director can fill prescriptions from both hospitals at the same time, and "it would not make sense to have two separate maintenance staffs." The lines may blur a bit with other contracted services, such as security, dietary and shared system services (e.g., oxygen, sprinklers).

"As long as the governing body for that co-located hospital has oversight of the services that it has under contract, that's acceptable," Miller said. But she emphasized "there needs to be some sort of designation of who is responsible for that, and that needs to be ironed out in their agreement."

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