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Grady faces possible loss of accreditation

Atlanta Business Chronicle - by [Urvaksh Karkaria](#) Staff Writer

Grady Memorial Hospital, besieged by a cash crunch, could now be stripped of accreditation that allows it to participate in critical government health insurance programs.

The Joint Commission, the nation's health-care organization accrediting body, found a number of process deficiencies and cited numerous requirements for improvement at Grady. The health system has several days in which to fix the problems.

The preliminary findings were based on a five-day survey of **Grady Health System**, which among other things, assessed the hospital's patient safety record, its operating procedures and medical record coding and documentation.

Grady administrators referred to the preliminary findings as "unacceptable."

"Losing our accreditation is not an option," Grady Chief Otis Story said in the statement. "We are hard at work to address the commission's preliminary findings."

Grady is suffering from a \$55 million hole in its balance sheet and is expected to run out of money by year-end. The **Fulton-DeKalb Hospital Authority**, late last month, agreed to transfer day-to-day operational control of the hospital to a non-profit management corporation.

That move is expected to open the spigot to more than \$200 million in funding for Grady from the public and private sector. However, there are no guarantees Grady will get the money.

Losing Joint Commission accreditation could strip a hospital of its ability to participate in Medicare and Medicaid, health-care consultant Chris Kane said. The government health insurance programs, combined, account for nearly 60 percent of Grady's annual revenues.

"It's very unlikely for a hospital to lose its [Joint Commission] accreditation," Kane said, "because hospitals are afforded multiple opportunities for corrective action."

The Joint Commission report "underscores the need for additional resources and more emphasis on restructuring to ensure adequate funding for Grady Health System now and in the future," the **Morehouse School of Medicine** and **Emory University** said in a joint statement. The two institutions supply Grady with its medical staff.

"The persistent underfunding of the Grady Health System over the past ten years contributes to the problems identified" in the survey, the statement from the schools noted.

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