

CMS ISSUES REMINDER FOR CHANGE IN OWNERSHIP REPORTING

In its recent MLN Connects for January 25, 2018, the Centers for Medicare & Medicaid Services ("CMS") issued a reminder to providers regarding appropriate change in ownership reporting.

NOTIFICATION REQUIREMENTS

All physicians, non-physician practitioners, physician practitioner organizations and non-physician practitioner organizations are required to report any changes in ownership, as well as changes in practice location and any adverse legal actions, to their Medicare Administrative Contractor ("MAC") within 30 days of the change. Durable Medical Equipment, Prosthetics, Orthotics and Supplies ("DMEPOS") suppliers must report changes in information on their enrollment application to the National Supplier Clearinghouse within 30 days. In addition, Independent Diagnostic Testing Facilities must report changes in ownership, location, supervision and any adverse legal actions to their MAC within 30 days of the change. Any other changes not described above must be reported to the appropriate entity within 90 days of the change.

These reminders from CMS follow a 2016 report from the Office of Inspector General ("OIG") that found that over 75 percent of Medicare providers reviewed had owner names on record with CMS that were not consistent with the owner names submitted to OIG and/or those on file with state Medicaid programs. Failure to report a change in ownership or control could result in the loss of the provider's Medicare provider agreement.

IMPACT TO SPECIFIC PROVIDER TYPES

While all physician and non-physician providers and organizations are required to comply with the change in ownership notification requirements, this notification process can be particularly important for physician-owned hospitals whose regulatory requirements specifically implicate their ownership structure. Because physician-owned hospitals' physician investment levels cannot exceed the investment interest held by physicians as of March 23, 2010, maintaining accurate ownership records and complying with all reporting and notification obligations is imperative for physician-owned hospital providers. Note that redemption of a physician or changes in units could constitute a change in ownership or control of a physician-owned hospital. Failure to report a change in ownership or control could result in the loss of the physician-owned hospital's provider agreement, which could be fatal if the physician-owned hospital was no longer able to avail itself of the whole hospital exception under the Stark Law.

RECOMMENDED ACTION

All providers subject to these change in ownership and change of information notification requirements should take care to ensure that such notices are provided to the appropriate reporting body within 30 days of the change.

In order to ensure that all prior notification obligations have been satisfied, it is recommended that providers confirm the ownership information on file with their MAC (or the National Supplier Clearinghouse in the case of DMEPOS providers). If a provider discovers that a prior notification was not properly submitted, care should be taken to notify the MAC or the National Supplier Clearinghouse as soon as possible and update the enrollment profile.

If you have questions or would like additional information about this topic, please contact:

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