

Change of Ownership (CHOW) Policy for the ADI Setting

1. Transfer of the Existing Medicare Enrollment from the Original Owner to the New Owner of an ADI Facility

The Medicare enrollment of the original owner of an ADI facility may be transferred to the new owner of the ADI facility only when certain criteria are met. For example, if the CHOW does not result in a change of business information for an ADI facility (including the legal business name, provider transaction access number (PTAN), tax identification number (TIN) or national provider identification (NPI) number), the Medicare enrollment of the existing owner can be transferred to the new owner of the ADI facility.

A. Update of Ownership Information on The Existing CMS-855(b) Enrollment Application

If the new owner is not changing the legal business information for the ADI facility it is not necessary to submit a new CMS-855B enrollment application for that ADI facility. However, to transfer a Medicare enrollment for an ADI facility, the new owner must update the ownership information in Section 6 of the CMS-855B enrollment application filed by the previous owner. All other information regarding the enrollment would not change.

B. Re-Assignment of the National Provider Identification (NPI) Number and Taxpayer Identification Number (TIN) from the Original Owner to the New Owner

The NPI and TIN assigned to the original owner of an ADI facility may be transferred to the new owner of the ADI facility only if the new owner makes no changes to the legal business information for the ADI facility (i.e. - legal business name, TIN, NPI & PTAN) and only updates the information in Section 6 of the CMS-855B enrollment application filed by the previous owner.

C. Re-Assignment of the Provider Transaction Access Number (PTAN) from the Original Owner to the New Owner

The PTAN assigned to the original owner of an ADI facility can be transferred to the new owner of the ADI facility only if the new owner makes no changes in the legal business information for the ADI facility and only updates the information in Section 6 of the CMS-855B enrollment application filed by the previous owner.

2. Change of Ownership (CHOW) in which the legal business information for the ADI facility is being changed

If the new owner is changing the business information for the ADI facility (i.e. - legal business name, TIN, PTAN, NPI, etc.), they are required to submit a new CMS-855B enrollment application for that ADI facility.

The NPI and TIN assigned to the original owner of an ADI facility *cannot* be transferred to the new owner of the ADI facility, if the new owner either voluntarily decides or is required to request new Medicare enrollment for that ADI facility.

The PTAN cannot be transferred to the new owner of an ADI facility, if the new owner either voluntarily decides or is required to request new Medicare enrollment for that ADI facility.

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It is important to note that a Medicare Part B PTAN cannot be transferred to another Medicare enrollment after it has been deactivated. The PECOS system will not allow this to occur.

3. Effects Upon The Accreditation Status of the ADI Facility

A. When New Owner Is Not Required to Submit a new CMS-855(b) Enrollment

Application:

If it *is not* necessary for the new owner of the ADI facility to submit a new CMS-855B enrollment application, then:

- The existing accreditation of the ADI facility may remain in effect.
- However, the accrediting organization (AO) which accredits that ADI facility must provide written permission for transfer of the remaining term of accreditation to the new owner *within one year of the effective date of the CHOW (or less if the ADI supplier's term of accreditation expires sooner)*.
- The AO is required to conduct a full accreditation survey *within 9 months from the effective date of the CHOW* to ensure continued compliance with the AO's accreditation program standards under the new ownership.

B. When New Owner Changes the Legal Business Information for the ADI Facility and is Required to Submit a new CMS-855(b) Enrollment Application:

If the new owner is required to obtain new Medicare enrollment, because they have changed the legal business information for the ADI facility, they must also seek new accreditation for the ADI facility. They must do so because:

- The remaining term of accreditation would not transfer to the new business entity; and,
- It is the new owner's responsibility to apply for new accreditation immediately to avoid a lapse in Medicare reimbursement.

Both the current and new owners of the ADI facility are responsible and have an interest in notifying the AO of the CHOW *within 30 calendar days of the effective day of the CHOW*, because:

- The current owner has a contractual obligation to notify the AO of their withdrawal from their accreditation contract; and,
- Accreditation is a requirement for reimbursement of Medicare claims. Therefore, the new owner has a financial interest in continuing accreditation to avoid a lapse in Medicare reimbursement for ADI services provided.