

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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- [“Medical Privacy of Protected Health Information”](#) Fact Sheet, ICN 006942, downloadable

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Additional Reporting Requirements Concerning Physician Ownership and Investment in Hospitals

Note: This article was updated on January 16, 2014, to reflect current requirements and dates.

Provider Types Affected

This MLN Matters® Special Edition Article is an update of MLN Matters® Number SE1332, originally published on September 13, 2013. It is intended for hospitals that have physician ownership or investment interests, and seek to avail themselves of the whole hospital or rural provider exceptions to the physician self-referral law. In this article, we refer to hospitals with physician owners or investors as “physician-owned hospitals.”

What You Need to Know

Under Section 1877 of the Social Security Act (the Act), also known as the physician self-referral law, unless an exception applies and is satisfied, 1) a physician may not refer a Medicare patient for certain designated health services (DHS) to an entity with which the physician (or an immediate family member of the physician) has a financial relationship, and (2) the entity may not present or cause to

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be presented a claim to Medicare (or bill another individual, entity, or third party payor) for those referred services.

The Centers for Medicare & Medicaid Services (CMS) issues this article to address the additional reporting requirements imposed by Section 6001 of the Affordable Care Act on physician-owned hospitals seeking to avail themselves of the whole hospital or rural provider exceptions to the physician self-referral law. The instructions in this article related to the reporting by the March 1, 2014 deadline supersede those set forth in the "Supporting Statement for Paperwork Reduction Act Submissions: *Annual Report of Physician-Owned Hospital Ownership and/or Investment Interest.*" This MLN article does not address other additional requirements imposed by Section 6001 of the Affordable Care Act.

Background

Two exceptions to the physician self-referral law for ownership or investment interests are the whole hospital and rural provider exceptions. Section 1877(i)(1)(C)(i) of the Act requires physician-owned hospitals to submit to CMS an annual report containing ownership and investment information to qualify for either exception. This reporting requirement is implemented in the physician self-referral regulations at 42 CFR 411.362(b)(3)(i). (This regulation is available at <http://www.gpo.gov/fdsys/search/pagedetails.action?granuleId=CFR-2011-title42-vol2-sec411-362&packageId=CFR-2011-title42-vol2>.)

Physician-owned hospitals that report ownership and investment information by following the instructions set forth in the Internet-based Provider Enrollment, Chain and Ownership System (PECOS) or the Medicare Enrollment Application Form CMS-855A (CMS-855A), Attachment 1, for reporting physician-owned hospital ownership and investment information satisfy the above reporting requirement. As further detailed in the instructions, physician-owned hospitals must complete and submit the required information via PECOS at <https://pecos.cms.hhs.gov/pecos/login.do>, or the manual paper process, CMS-855A, Attachment 1. Manual submissions should be forwarded to the hospital's designated Medicare fee for service contractor. **Please note that this reporting requirement is not mandatory for Medicare enrollment and does not ensure Medicare enrollment.**

Physician-owned hospitals seeking to avail themselves of the whole hospital or rural provider exceptions must report ownership and investment information following the above process by March 1, 2014. Physician-owned hospitals that submitted this information on or after December 1, 2012, consistent with the above process will be considered to have met the March 1, 2014 deadline. Hospitals must submit this information on an annual basis to continue to meet the reporting requirement.

We remind hospitals that information submitted under this process may be published on the CMS website pursuant to Section 1877(i)(2) of the Act. If a hospital reports ownership or investment information under this process but is not seeking to use the whole hospital or rural provider exceptions, the hospital may request that CMS either not publish or remove its information from the website by emailing POHExceptions@cms.hhs.gov.

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Additional Information

For more information about provisions affecting physician-owned hospitals under the physician self-referral law, visit the Physician Self-Referral Physician-Owned Hospitals webpage at http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Physician_Owned_Hospitals.html on the CMS website.

For more information about Medicare enrollment, visit the Medicare Provider-Supplier Enrollment webpage at <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/index.html> on the CMS website.

News Flash - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information, visit:

- [MLN Matters® Article #MM8433](#), "Influenza Vaccine Payment Allowances - Annual Update for 2013-2014 Season"
- [MLN Matters® Article #SE1336](#), "2013-2014 Influenza (Flu) Resources for Health Care Professionals"
- [HealthMap Vaccine Finder](#) - a free, online service where users can search for locations offering flu and other adult vaccines. While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community.
- The CDC website for [Free Resources](#), including [prescription-style tear-pads](#) that allow you to give a customized flu shot reminder to patients at high-risk for complications from the flu.

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