



March is National Colorectal Cancer Awareness Month! In conjunction with National Colorectal Cancer Awareness Month, the Centers for Medicare & Medicaid Services (CMS) reminds health care professionals that Medicare provides coverage for certain colorectal cancer screenings. Colorectal cancer affects both men and women of all racial and ethnic groups, is most often found in people age 50 and older, and the risk increases with age. Screening can help prevent and detect colorectal cancer in its earliest stages when outcomes are most favorable.

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Related Change Request (CR) #: 6306

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Related CR Transmittal #: R58GI

Implementation Date: June 8, 2009

Note: This article was revised on October 22, 2013, to add a reference to MLN Matters® article SE1332 available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE1332.pdf> to alert physicians to the additional reporting requirements imposed by the Affordable Care Act on physician-owned hospitals seeking the whole hospital or rural provider exception to the physician self-referral law. All other information is unchanged.

Disclosure of Physician Ownership in Hospitals

Provider Types Affected

Physician-owned hospitals and physicians with hospital ownership interests who bill Medicare fiscal intermediaries (FIs), carriers, or Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries in those physician-owned hospitals

What You Need to Know

Change Request (CR) 6306, from which this article is taken, announces that:

- Physician-owned hospitals are required to disclose to their patients the names of the physician owners and the names of immediate family members of the physician who have an ownership or investment interest in the hospital; and
- Physicians are required to disclose to their patients at the time of referral if they (or their immediate family members) have an ownership or investment interest in the hospitals to which they refer patients for treatment.

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Hospitals that fail to disclose this information to patients may lose their provider agreements to participate in the Medicare program, and physicians who fail to disclose this information to patients may lose their hospital medical staff memberships.

You should make sure that you have appropriate hospital physician-ownership disclosure procedures in place and that you are providing appropriate disclosures to your patients.

Background

The Code of Federal Regulations Title 42, Volume 3, Section 489.3 defines a physician-owned hospital as any participating hospital (as defined in section 489.24) in which a physician, or their immediate family member, has an ownership or investment interest. Pursuant to Section 489.3, hospitals that do not have any physician owners who refer patients to the hospital are exempt from these disclosure requirements.

Section 5006 of the Deficit Reduction Act of 2005 (DRA), enacted on February 8, 2006, required the Secretary of Health and Human Services (HHS) to develop a "strategic and implementing plan" to address certain issues related to physician investment in specialty hospitals. Accordingly (in order to allow patients to make informed decisions regarding their treatment and to decide if the existence of a hospital-related financial relationship suggests a conflict of interest that may not be in their best interest), in the August 8, 2006 final report to Congress on this requirement, the Centers for Medicare & Medicaid Services (CMS) stated the adoption of a disclosure requirement that would require both hospitals and physicians to disclose to patients whether the hospital is physician-owned and if the referring physician is a physician owner of the hospital.

Specifically, the FY 2008 and FY 2009 Inpatient Prospective Payment System (IPPS) regulations require hospitals to disclose to patients whether they are physician-owned, and if so, to disclose the physician owners' names. This ownership or investment interest may be through equity, debt, or other means (including an interest in the entity that holds an ownership or investment interest in the hospital.) In disclosing this ownership relationship, hospitals must furnish written notice to each patient at the beginning of their hospital stay, or outpatient visit, that the hospital is physician-owned. The notice must disclose the fact that the hospital meets the Federal definition of a physician-owned hospital, and that the list of physician owners or their immediate family members (who have an ownership or investment interest in the hospital) is available upon request and must be provided to the patient at the time of the request.

These regulations also require each physician who is a member of the hospital's medical staff to agree (as a condition of continued medical staff membership or admitting privileges), to disclose to all patients that he or she refers to the hospital

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(in writing at the time of the referral), any ownership or investment interest that he/she, or an immediate family member, holds in the hospital.

You should be aware that if a physician-owned hospital fails to disclose physician ownership information as required, it may lose its provider agreement to participate in the Medicare program. Similarly, if a physician fails to disclose his/her hospital ownership or investment information, he or she may lose hospital medical staff membership.

Additional Information

The official instruction issued to your Medicare Carrier, FI, or MAC, CR 6306, is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R58GI.pdf> on the CMS website.

If you are interested in reading about physician hospital ownership disclosure in the Code of Federal Regulations Title 42, Volume 3, Section 489.3, you can find it at <http://www.gpo.gov/fdsys/pkg/CFR-2007-title42-vol4/pdf/CFR-2007-title42-vol4-sec489-3.pdf> on the Internet.

If you have any questions, please contact your carrier, FI, or MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

News Flash - It's Not Too Late to Give and Get the Flu Shot! In the United States, the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu.** Remember - Influenza and pneumococcal vaccinations plus their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. Health care professionals and their staff can learn more about Medicare's Part B coverage of adult immunizations and related provider education resources, by reviewing Special Edition *MLN Matters* article SE0838 <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0838.pdf> on the CMS website.

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