



*The Pulse*  
Hospital Education



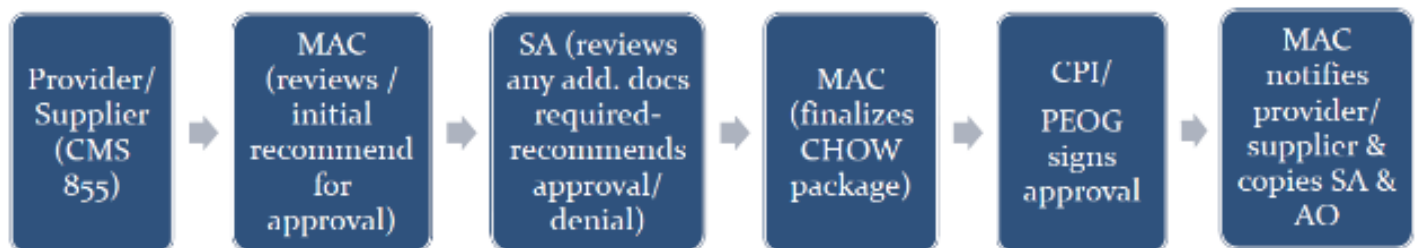
January 2024

## Streamlining Hospital Change of Ownership (CHOW)

The Centers for Medicare and Medicaid Services (CMS) transitioned certain certification enrollment functions performed by the CMS SOG (Safety and Oversight Group) locations, formerly CMS Regional Offices, to CMS's Center for Program Integrity (CPI) its Provider Enrollment Oversight Group (PEOG) and the Medicare Administrative Contractors (MACs).

The standard operating procedure (SOP) below relates to changes of ownership (CHOWs) for hospitals (including psychiatric hospitals and transplant programs).

For the complete SOP for CHOW, review Quality Safety & Oversight QSO 22-02 ALL, revised 11/7/22.



### When does a CHOW occur?

A CHOW occurs when the responsible legal entity that was a party to the Medicare provider agreement ("seller") has changed, and the responsible new legal entity ("buyer") receives/accepts automatic assignment of the existing provider agreement (see 42 CFR

489.18). The responsible legal entity is the party that has ultimate responsibility and liability for the operational decisions of the institution. A CHOW may involve any transfer of a provider or supplier even if no money changes hands – the terms "seller" and "buyer" are used for convenience.

## **Is a new survey required after a CHOW ?**

When there is an automatic assignment of the existing Medicare agreement to the new owner, a CHOW does not require a survey. A buyer is generally assigned the existing provider/supplier agreement and its corresponding CMS certification number (CCN) if the buyer purchases a participating provider organization and accepts automatic assignment of the existing agreement. When a CHOW occurs, the new owner/buyer may also reject the automatic assignment of the existing Medicare agreement resulting in the voluntary termination of the CCN and completion of an initial enrollment application by the new owner/buyer.

## **CHOWs for critical access and rural emergency hospitals**

Any potential change to enrollment and certification activities for critical access hospitals (CAHs) and rural emergency hospitals (REHs) will be communicated in the future. The MAC will continue to receive Tie-In Notices (form CMS 2007) from CMS locations for these provider types. Providers should check for updates and any further communication on the [CMS Policy and Memo website](#).

## **DIAL's role in CHOW**

Once the Iowa Department of Inspections, Appeals, and Licensing (DIAL) receives the MAC enrollment recommendation, the department will review the CHOW package from the MAC. The CHOW package must include the following:

1. Legal documentation of CHOW: The legal documents that governed the CHOW transaction, sale, or transfer of the Medicare-participating facility from the seller to the buyer, as applicable to the federal CHOW process (separate from any additional licensure requirements).

2. Evidence of the provider's successful electronic submission of the Form HHS-690 through the Office of Civil Rights (OCR) portal, as applicable.
3. Provider's signed CMS-1561.
4. Request for certification in the Medicare program, appropriate to provider/supplier type.
5. The National Provider Identifier (NPI) number (may be directly on the CMS-855, however, the provider should include the proof of documentation that this number was issued).
6. Other applicable provider/supplier specific documents.

DIAL will contact the provider if any of the prior information has not been provided. The provider will also need to complete a new license application. State licensure considerations are not taken into consideration during a Medicare CHOW.

## **Contact Information**

For questions or concerns relating to enrollment, please contact [ProviderEnrollment@cms.hhs.gov](mailto:ProviderEnrollment@cms.hhs.gov).

For questions or concerns relating to the certification transition process and the standard operating procedures within this memorandum, please contact [QSOG\\_Certification@cms.hhs.gov](mailto:QSOG_Certification@cms.hhs.gov).

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## **Iowa Department of Inspections, Appeals, & Licensing**

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