A Change of Ownership (CHOW) typically occurs when a Medicare provider has been purchased (or leased) by another organization. The CHOW results in the transfer of the old owner’s Medicare Identification Number and provider agreement (including any outstanding Medicare debt of the old owner) to the new owner. The regulatory citation for CHOWs can be found at 42 C.F.R. 489.18.

CHOW Reminders
- As referenced in 42 C.F.R. 424.520(b), changes of ownership or control must be reported within 30 days of the effective date of the change.
- The transfer of corporate stock or the merger of another corporation into the provider corporation does not constitute a CHOW.
  - In the case of an acquisition/merger, the seller/former owner’s Medicare Identification Number dissolves.
  - In a CHOW, the seller/former owner’s provider number typically remains intact and is transferred to the new owner.
- If the Tax Identification number changes, it is typically submitted as a CHOW.
- A CHOW generally occurs when the assets of the company are sold.
- The purchaser must be willing to accept terms and conditions of the provider agreement.
- Purchaser must accept responsibility for ALL liabilities of the current owner.

Seller/Former Owner
- Seller/Former Owner must complete and submit the following sections of the CMS 855A form: 1A, 2F, 13 and 15 or 16.
- Seller/Former Owner CMS-855A CHOW application does not require a recommendation for approval or denial; any recommendations will be based upon the CHOW application received from the new owner.

Buyer/New Owner
- Must complete and submit ALL sections of the CMS 855A form, except 2G and 2H.
- Must obtain National Provider Identifier (NPI) before enrolling.
- Must submit the Authorization Agreement for Electronic Funds Transfer Form CMS 588 (Electronic Funds Transfer Agreement).

Electronic Funds Transfer (EFT) Payments and CHOWs
- If you are already enrolled in Medicare and are not receiving Medicare payments via EFT, any change to your enrollment information will require you to submit a CMS-588 application. All future payments will then be made via EFT.
- The contractor shall continue to pay the Seller/Former Owner until it receives the tie-in notice from the Regional Office (RO).
It is ultimately the responsibility of the Seller/Former Owner and Buyer/New Owner to work out any payment arrangements between themselves while the CHOW is being processed by the intermediary and the RO.

Additional Documentation Reminders
- Must submit a copy of the bill of sale or purchase agreement.
- Must submit all appropriate licenses and certifications required by their state.
- Must submit IRS document confirming Tax Identification Number.
- Must submit Articles of Incorporation.

References:

Medicare Enrollment Application - CMS 855A

Palmetto GBA Web Sites:
- South Carolina Part A - www.PalmettoGBA.com/asc
- Home Health and Hospice - www.PalmettoGBA.com/rhhi

Helpful Resources (These articles are available on the Palmetto GBA Web site):
- A New Process for Checking the Status of Your Provider Enrollment Application
- Instructions for the Implementation of the Internet-Based Provider Enrollment, Chain and Ownership System (PECOS)

Disclaimer: The information provided in this job was current as of 11/2/2009. Any changes or new information superseding the information in this job aid will be provided in articles, publications and publication dates after 11/02/2009 and will be posted at www.PalmettoGBA.com/rhhi, www.PalmettoGBA.com/asc or www.PalmettoGBA.com/j11a.