

General Change in Ownership (CHOW) Guidelines Medicare/Medicaid-Certified Facilities

As soon as possible, either the current owner or prospective buyer notifies Healthcare Licensing and Surveys (HLS) that a change of ownership (CHOW) is going to take place. It is helpful to know which facility is being sold, who the new owner will be, tentative effective date, contact person, etc. It is also helpful to know if it will be complex, such as a corporate reorganization. If this is the case, for Medicare/Medicaid certified providers, Centers for Medicare and Medicaid Services (CMS) may decide this is not really a CHOW. A simple “before and after” ownership diagram of the legal relationships among the owning entities and providers involved is also useful. The two-part diagram visually displays the ownership relations as they appeared before and after the date of a possible CHOW. However, the ultimate decision will be made regarding a CHOW after the CMS-855 application is processed by the MAC/FI and received and reviewed by CMS.

General Process:

The new owner will need to complete **all** the licensure and certification paperwork, for their facility type, that is located at <http://www.health.wyo.gov/ohls>. **For Medicare/Medicaid certified providers, a critical and time consuming form is the CMS-855 enrollment application.**

In general, if the completed CMS-855 is accurate it could be approved in 30-45 days by the MAC/FI. However, if the information is not complete or accurate, the MAC/FI will request more information and the time frame potentially starts over. Often, if the new owner is already an enrolled provider, the process is faster, based on their experience in completing the form.

The new owner needs to be aware that if the agreement is assigned to them, the new owner is responsible for the former owner’s liabilities, including any Medicare payments. If the new owner decides **not** to accept assignment of the former owner’s provider agreement, but the new owner intends to continue as a Medicare provider, this would be considered an initial application for a new provider and there would be a break in the continuity of Medicare payment.

All documents needs to be submitted to HLS for review except the CMS-855. **The CMS-855 is sent directly to the MAC/FI for their review and approval.**

In addition, HLS and CMS will need a copy of the signed sale agreement/sale transaction (amount can be redacted) with the effective date and parties involved.

Once the required documents are received by HLS, a recommendation to approve the CHOW will be made to CMS. Be advised that it can take CMS an average of 30 days to make a determination.