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TRIAGE: RAPID LEGAL LESSONS FOR BUSY
HEALTH CARE PROFESSIONALS



Segment 3 of 4

**Section 603 Site-Neutral
Payment: Transfers of PBDs**

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LOSS OF EXCEPTED STATUS – CHANGE OF OWNERSHIP

- Excepted status will continue in a CHOW where
 - New owner acquires the entire hospital and
 - Assumes the existing Medicare provider agreement
- Cannot transfer an individual excepted PBD
 - “...provider-based status is defined as the relationship between a facility and a main hospital provider, not an asset that can be transferred from one provider to another.”

LOSS OF EXCEPTED STATUS – CHANGE OF OWNERSHIP

- Combination of two certified hospitals under one Medicare provider agreement with one CMS Certification Number
 - Only excepted PBDs that were provider-based to surviving hospital will remain excepted
 - PBDs not enrolled as provider-based to the surviving hospital, but otherwise excepted prior to transaction, would lose excepted status

WHAT YOU NEED TO DO

- Assess implications of Section 603 when contemplating future transactions or internal reorganizations affecting excepted PBDs.
- Where there is not a change of ownership of the entire hospital, consider resulting reduced revenue for PBDs that will not maintain excepted status.

Today's Presenter



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