

---

## 42 C.F.R. § 422.350

---

### Basis, scope, and definitions.

---

(a) *Basis and scope.* This subpart is based on sections 1851 and 1855 of the Act which, in part,—

- (1) Authorize provider sponsored organizations, (PSOs), to contract as a MA plan;
- (2) Require that a PSO meet certain qualifying requirements; and
- (3) Provide for waiver of State licensure for PSOs under specified conditions.

(b) *Definitions.* As used in this subpart (unless otherwise specified)—

*Capitation payment* means a fixed per enrollee per month amount paid for contracted services without regard to the type, cost, or frequency of services furnished.

*Cash equivalent* means those assets excluding accounts receivable that can be exchanged on an equivalent basis as cash, or converted into cash within 90 days from their presentation for exchange.

*Control* means that an individual, group of individuals, or entity has the power, directly or indirectly, to direct or influence significantly the actions or policies of an organization or institution.

*Current ratio* means total current assets divided by total current liabilities.

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)