

42 C.F.R. § 424.502

Definitions.

As used in this subpart, unless the context indicates otherwise—

Additional disclosable party means, with respect to a skilled nursing facility defined at section 1819(a) of the Act, any person or entity who does any of the following:

(1)

- (i) Exercises operational, financial, or managerial control over the facility or a part thereof;
- (ii) Provides policies or procedures for any of the operations of the facility; or
- (iii) Provides financial or cash management services to the facility.

(2)

- (i) Leases or subleases real property to the facility; or
- (ii) Owns a whole or part interest equal to or exceeding 5 percent of the total value of such real property.

(3) Provides—

- (i) Management or administrative services;
- (ii) Management or clinical consulting services; or
- (iii) Accounting or financial services to the facility.

Affiliation means, for purposes of applying § 424.519, any of the following:

- (1) A 5 percent or greater direct or indirect ownership interest that an individual or entity has in another organization.
 - (2) A general or limited partnership interest (regardless of the percentage) that an individual or entity has in another organization.
 - (3) An interest in which an individual or entity exercises operational or managerial control over, or directly or indirectly conducts, the day-to-day operations of another organization (including, for purposes of this paragraph (3), sole proprietorships), either under contract or through some other arrangement, regardless of whether or not the managing individual or entity is a W-2 employee of the organization.
 - (4) An interest in which an individual is acting as an officer or director of a corporation.
 - (5) Any reassignment relationship under § 424.80.
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Approve/Approval means the enrolling provider or supplier has been determined to be eligible under Medicare rules and regulations to receive a Medicare billing number and be granted Medicare billing privileges.

Authorized official means an appointed official (for example, chief executive officer, chief financial officer, general partner, chairman of the board, or direct owner) to whom the organization has granted the legal authority to enroll it in the Medicare program, to make changes or updates to the organization's status in the Medicare program, and to commit the organization to fully abide by the statutes, regulations, and program instructions of the Medicare program. For purposes of this definition only, the term “organization” means the enrolling entity as identified by its legal business name and tax identification number.

Change in majority ownership occurs when an individual or organization acquires more than a 50 percent direct ownership interest in an HHA or hospice during the 36 months following the HHA's or hospice's initial enrollment into the Medicare program or the 36 months following the HHA's or hospice's most recent change in majority ownership (including asset sale, stock transfer, merger, and consolidation). This includes an individual or organization that acquires majority ownership in an HHA or hospice through the cumulative effect of asset sales, stock transfers, consolidations, or mergers during the 36-month period after Medicare billing privileges are conveyed or the 36-month period following the HHA's or hospice's most recent change in majority ownership.

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