
42 C.F.R. § 510.506

Downstream distribution arrangements.

- (a) *General.* (1) An ACO participant that is a PGP, NPPGP, or TGP and that has entered into a distribution arrangement with a CJR collaborator that is an ACO may distribute all or a portion of any distribution payment it receives from the CJR collaborator only in accordance with downstream distribution arrangement.
- (2) All downstream distribution arrangements must comply with the provisions of this section and all applicable laws and regulations, including the fraud and abuse laws.
- (b) *Requirements.* (1) All downstream distribution arrangements must be in writing and signed by the parties, contain the date of the agreement, and be entered into before care is furnished to CJR beneficiaries under the downstream distribution arrangement.
- (2) Participation in a downstream distribution arrangement must be voluntary and without penalty for nonparticipation.
- (3) The downstream distribution arrangement must require the downstream collaboration agent to comply with all applicable laws and regulations.
- (4) The opportunity to make or receive a downstream distribution payment must not be conditioned directly or indirectly on the volume or value of past or anticipated referrals or business otherwise generated by, between or among the participant hospital, any CJR collaborator, any collaboration agent, any downstream collaboration agent, or any individual or entity affiliated with a participant hospital, CJR collaborator, collaboration agent, or downstream collaboration agent.

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