

HOSPICE CHANGE OF OWNERSHIP

A Change of Ownership (CHOW) in hospice does not constitute a change (transfer) from one hospice to another. Only the beneficiary can elect to change hospices. When a CHOW takes place, and the Provider Transaction Access Number (PTAN) changes, there are certain steps that have to be followed in order for claims to process for dates of service on or after the effective date of the change.

The provider enrollment process for a CHOW must be completed before any changes can be made to the billing process. Refer to the [Tips to Facilitate the Change of Ownership \(CHOW\) Process job aid](#) for information on the enrollment process.

The enrollment process is considered to have been completed when the provider enrollment records are updated to reflect the change as noted in the tie-in notice from CMS, and Palmetto GBA notifies the provider by way of a letter of the update made to the enrollment records. Upon receipt of the letter from Palmetto GBA advising of the updates made to the enrollment record, the agency must proceed to ensure that all electronic billing records through the Electronic Data Interchange (EDI) are also updated, if applicable.

In most cases, the processing of the CHOW enrollment application will have been completed subsequent to the actual effective date of the change. Depending upon the nature of the change, there may be certain actions required to update the beneficiary's hospice enrollment records on the Common Working File (CWF). What follows are the most common situations that Palmetto GBA experiences as part of a CHOW with hospice agencies.



PURCHASE AGREEMENT

- Buyer retains PTAN and National Provider Identifier (NPI) of existing agency
- Buyer retains PTAN, but changes NPI
- Buyer changes PTAN and NPI

In all situations, ensure beneficiaries on service have been notified that a CHOW has taken or will take place. For situations where the PTAN changes, the CWF must be updated with the new PTAN to allow claims and notices to process for dates of service on or after the effective date of the change.



MERGER/ACQUISITION

Mergers and acquisitions may encompass a purchase agreement, but can also include situations where an agency is consolidating multiple locations. Mergers or acquisitions that take place among one or more hospices may result in the change of the PTAN and/or the NPI.

When a consolidation takes place, the actual owners of the agency do not change, but the PTAN and/or NPI changes. The most common consolidation situations are:

- Agency elects to keep all NPIs of the locations they will consolidate, but keep only one PTAN; the enrollment records for all locations they no longer want are terminated when the CHOW is finalized and NPIs are then associated with the remaining PTAN
- Agency elects to terminate the PTANs and NPIs of locations they will consolidate and keep only one PTAN/NPI combination; the enrollment records for all other PTANs and NPIs will be terminated when the change is approved

Regardless of the reason for the PTAN change, check out the table on page two to find out what action, if any, must be taken with respect to billing.

Step	Situation	Yes	No	Action Required
1	PTAN changed as part of the CHOW process.	X		Go to Step 2 or 3.
			X	Billing continues as normal. If the change is due to a purchase agreement, the buyers and sellers make an agreement as to who will be responsible for billing until CHOW is processed.
2	Beneficiary admitted to hospice before effective date of change and remains on hospice after effective date of change.	X		<p>If change is due to a consolidation, billing of the claims continues under existing PTAN until the CHOW is processed. If change is due to a purchase agreement (including a merger), billing continues with the seller/existing agency until the CHOW is processed.</p> <p>Once the CHOW is processed, any claims filed with dates of service after the date of change must be canceled. The type of bill (TOB) 8XE is submitted to identify the change on CWF and subsequent claims are resubmitted.</p> <p>For instructions on submitting TOB 8XE, refer to the Hospice Notice of Change of Ownership (TOB 8XE) Billing job aid.</p>
			X	Go to Step 3.
3	Beneficiary admitted to hospice care or transferred to agency on or after effective date of change, but before the CHOW was processed.	X		<p>If change is due to a consolidation, submission of the notice of election (NOE) and billing continues under existing PTAN until the CHOW is processed. If change is due to a purchase agreement (including a merger), submission of the NOEs and billing continues with the seller until the CHOW is processed.</p> <p>Once the CHOW is processed, go to Step 4.</p>
			X	No action necessary.
4	Any notices of election (8XA), notices of change (8XC) and/or claims submitted under PTAN that was changed or terminated.	X		<p>Once CHOW is processed and enrollment records are updated, the existing agency or buyer must do the following:</p> <ul style="list-style-type: none"> • Cancel any 8XA, 8XC and/or claims that were submitted with dates of service on or after effective date of the change • Ensure that all benefit periods are also canceled on the CWF • Resubmit, to correct PTAN on the CWF, after all 8XA/8XC notices, claims and benefit periods are canceled on the CWF <p>Note: NOEs that are processed under the new PTAN are subject to NOE timely-filing edits. When the subsequent claims are filed, ensure that remarks are entered to clearly state that the reason for late filing is related to the processing of the CHOW. The remarks must include the date of the <i>Welcome</i> letter from Palmetto GBA and date the EDI agreement was completed.</p> <p>For complete instructions on submitting a late NOE exception, refer to the Hospice Billing When a Notice of Election (NOE) was Filed Untimely job aid.</p>