

# A L E R T

June 12, 2014

**TO: All Hospitals**

**RE: Change of Ownership (CHOW) and Closures**

Effective July 1, 2014, and thereafter, hospitals are to notify Medicaid of any Change of Ownership (CHOW) or closure as soon as it is known to ensure proper payment and prevent recoupments.

**Procedures Following a Change in Ownership:**

- When Medicaid or HP Enterprise Services (HPES) verifies an ownership change or closure of an acute care hospital (Public or Private), the hospital's contract will be end dated effective with the date of the sale or closure.
- The facility's new owner should submit an enrollment application to Medicaid as soon as the purchase has been finalized. When HPES approves the new enrollment application, the hospital will be assigned a Medicaid provider number and a temporary six-month contract based on the effective date of the CHOW.
- This temporary enrollment will allow the new owners to bill for services provided on or after the CHOW effective date. It will also allow Medicaid time to receive the Certification and Transmittal (C&T) form from the Alabama Department of Public Health (ADPH). Once the C&T is received from ADPH, then Medicaid will update the hospital's contract. **If Medicaid is not notified of the CHOW within six months, the contract will automatically expire.**

**Claims Processing:**

- Claims for dates of service on or after the ownership change must be filed using the NPI/Medicaid ID for the new owner.
- Claims for dates of service prior to the date of the ownership change will continue to be billed under the previous owner's NPI.

**Procedure Following a Closure**

In the event that a hospital is closed, HPES will end date the hospital's contract effective the date of the closure. Any claims paid for dates of service after the closure will be recouped.

**For Additional Information**

Providers with questions should contact Solomon Williams, Associate Director, Institutional Services, at 334-353-3206 or via e-mail at [solomon.williams@medicaid.alabama.gov](mailto:solomon.williams@medicaid.alabama.gov)