

Medicare Fee-For-Service Provider Enrollment – Hospital Change of Ownership: Data Guidance

Version 1.1

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FOREWORD

This document provides background information and data guidance for the Provider Enrollment – Hospital Change of Ownership files. The ensuing sections of this document are organized to provide policy and data context first, followed by a general overview of the data, followed by instructions for performing common data operations, and conclude with the limitations of the data to be kept in mind when using the files and contact information for inquiries related to the data.

- Section 1, “Background,” provides basic background information pertaining to both policy and the source of the Provider Enrollment – Hospital Change of Ownership data. Additionally, key terms are defined in this section.
- Section 2, “Provider Enrollment – Hospital Change of Ownership Data Contents,” provides an overview of the contents of the Provider Enrollment – Hospital Change of Ownership files, including the scope of the data and a description of the files.
- Section 3, “Common Data Operations,” gives general methodological instructions for performing common data operations.
- Section 4, “Merging to Non-PECOS data,” provides information on other ways of merging this data with other datasets.
- Section 5, “Data Limitations,” lists the data limitations that should be kept in mind when using the Provider Enrollment – Hospital Change of Ownership files.
- Section 6, “Contact Information,” provides information on the point of contact for inquiries relating to the Hospital Change of Ownership files.
- Appendix A, “Revision History,” tracks updates and additions related to the Provider Enrollment – Hospital Change of Ownership files.

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1 BACKGROUND

This section provides background and context for understanding the Provider Enrollment – Hospital Change of Ownership files. Section 1.1 describes the policy context and goals leading to the release of the data. Section 1.2 provides information on the data source of Hospital Change of Ownership data: the Provider Enrollment, Chain, and Ownership System (PECOS). Section 1.3 defines key terms.

1.1 POLICY CONTEXT

The Public Provider Enrollment Files (PPEF), which were released to the general public for the first time on February 22, 2016, aim to promote and practice data transparency for non-sensitive Medicare information and allow easy access to Medicare provider enrollment data.

As part of CMS' efforts to further improve provider and supplier enrollment data sharing and transparency, CMS is making additional datasets publicly available. Releasing data for Hospital Change of Ownership is part of that effort. This data for Medicare-enrolled providers is a subset of information available in the Provider Enrollment, Chain, and Ownership System (PECOS) – the system of record for Medicare provider enrollment. The data contained in these files is self-reported by the provider via the CMS-855A application.¹ These files will provide a clear and transparent way for providers, suppliers, state Medicaid programs, private payers, researchers and any other interested individual or organization to leverage Medicare provider enrollment data on changes of ownership.

1.2 OWNERSHIP

There are several dimensions to the ownership of a provider. The owner can be one or more individuals or can be one or more entities (each defined by its Tax Identification Number). When the direct owner is an organization, it too can have one or more owners, which are labeled “indirect owners.” In principle, there can be several layers of owners, with the owner at the top of the organization chart being labeled in federal statute as the “ultimate parent.” Any entities below the ultimate parent, which is not identified in these data, are its subsidiaries. Ownership is defined broadly to include individuals and firms that have operational or managerial control.

1.3 DATA SOURCE

The main source of this data is the Provider Enrollment, Chain, and Ownership System, or PECOS (pronounced pey-kohs). PECOS is an electronic Medicare enrollment system and national data repository for individual and organizational providers who have enrolled or are enrolling in Medicare.² CMS' Medicare Administrative Contractors (MACs) enroll providers using PECOS. From these enrolling providers, the MACs through PECOS collect information related to the provider's identity, such as SSN or EIN, specialty, qualifications, practice locations, ownership, billing agency information, reassignment of benefits, and related organizations.

¹ The application form has instructions for filers. <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS019475>, accessed 3-30-2022. Mnemonically, the file can be found by googling “855A” and “Medicare.”

² Needless to say, people “enroll” in Medicare to receive health care benefits, and providers and suppliers “enroll” to deliver those benefits. The purpose and mechanics of the two enrollment systems are quite different.

1.4 KEY TERMS

Change of Ownership (CHOW): Typically occurs when a Medicare-enrolled provider has been purchased by another organization. The previous owner (or “seller”) and the new owner (or “buyer”) must report these transactions to CMS. There are three types of CHOWs: Change of Ownership, Acquisition/Merger, and Consolidation.

- **Change of Ownership:** A CHOW typically occurs when a Medicare provider has been purchased (or leased) by another organization. The CHOW results in the transfer of the old owner’s Medicare Identification Number and provider agreement (including any outstanding Medicare debt of the old owner) to the new owner. The regulatory citation for CHOWs can be found at 42 CFR § 489.18. If the purchaser (or lessee) elects not to accept a transfer of the provider agreement, then the old agreement should be terminated and the purchaser or lessee is considered a new applicant. Most changes of ownership fall into this category.
- **Acquisition/Merger:** An acquisition/merger occurs when a currently enrolled Medicare provider is purchasing or has been purchased by another enrolled provider. Only the purchaser’s Medicare Identification Number and Tax Identification Number (TIN) remain. Acquisitions/mergers are different from CHOWs. In the case of an acquisition/merger, the seller/former owner’s Medicare Identification Number dissolves, whereas in a CHOW, the seller/former owner’s provider number typically remains intact and is transferred to the new owner.
- **Consolidation:** A consolidation occurs when two or more Medicare-enrolled providers consolidate to form a new business entity. Consolidations are different from acquisitions/mergers. In an acquisition/merger, two entities combine but the Medicare Identification Number and Tax Identification Number of the purchasing entity remain intact. In a consolidation, the TINs and Medicare Identification Numbers of the consolidating entities dissolve and a new TIN and a new Medicare Identification Number are assigned to the new, consolidated entity. Consolidations have been rare.

Enrollment ID: A unique 15-digit alphanumeric identifier that is assigned to each new provider enrollment application. All enrollment-level information in PECOS (e.g., enrollment type, enrollment state, provider specialty, reassignment of benefits) is linked through the enrollment ID. Individual enrollment IDs begin with an ‘I’ and organization enrollment IDs begin with an ‘O.’

Medicare Administrative Contractor (MAC): A regional private health care insurer that serves as the primary contact between the Medicare Fee-For-Service (FFS) program and its providers by performing activities such as enrolling providers and processing claims. There are three types of MACs: Parts A/B, Home Health/Hospice, and Durable Medical Equipment (DME). While MACs oversee a collection of states (jurisdiction), providers typically enroll at the state level.

Direct Ownership Interest: Direct ownership interest means the possession of equity in the capital, the stock, or the profits of the disclosing entity.

Indirect Ownership Interest: Indirect ownership interest means any ownership interest in an entity that has an ownership interest in the disclosing entity. Many organizations that directly own a provider are themselves wholly or partly owned by other organizations (or even individuals). This is often the result of the use of holding companies and parent/subsidiary relationships. Such organizations and individuals are considered to be “indirect” owners of the provider.

PECOS Associate Control ID (PAC ID): A unique 10-digit numeric identifier that is assigned to each individual or organization in PECOS. All entity-level information in PECOS (e.g., Tax Identification

Numbers, organizational names) is linked through the PAC ID. A PAC ID may be associated with multiple enrollment IDs if the individual or organization enrolled multiple times under different circumstances. Unlike enrollment IDs, there is no provider information embedded within any of the digits of PAC IDs.

Provider: For the purposes of this document, a provider is any entity that submitted an enrollment application through the MACs, in order to bill to Medicare for services. Defined in terms of its Tax Identification Number, this includes institutional providers like Hospitals and Skilled Nursing Facilities.

Provider Enrollment, Chain, and Ownership System (PECOS): The electronic Medicare enrollment system and national data repository for individual and organizational providers who have enrolled or are enrolling in Medicare. PECOS is the data source of the Provider Enrollment – Hospital Change of Ownership files.

Provider Type: The type of enrollment application submitted by the provider. Institutional providers submit form CMS-855A.

Tax Identification Number (TIN): The unique identifier assigned by the Social Security Administration (SSA) or the Internal Revenue Service (IRS) to a person or organization. For individuals, the TIN is equivalent to the Social Security Number (SSN). For organizations, the TIN is typically the Employer Identification Number (EIN). From a provider enrollment perspective, CMS considers TINs to be protected information and does not release them in public files.

National Provider Identifier (NPI): A unique 10-digit numeric identifier for covered health care providers that all providers must obtain before enrolling in Medicare. It is assigned to health care providers upon application through the National Plan and Provider Enumeration System (NPPES).

CMS Certification Number (CCN): A CCN, formerly called an OSCAR Number, is a 6-digit Medicare certification number issued for a facility by CMS.

2 PROVIDER ENROLLMENT – HOSPITAL CHANGE OF OWNERSHIP DATA CONTENTS

This section provides an overview of the contents of the Hospital Change of Ownership data. Section 2.1 describes the scope (i.e., population) of the data. Section 2.2 describes and explains the general purpose of the relational data files included: **HOSPITAL_CHOW**, **HOSPITAL_CHOW_OWNERS**, and **HOSPITAL_CHOW_NPIS**.

2.1 POPULATION

The Provider Enrollment – Hospital Change of Ownership files will include basic enrollment and ownership information for hospitals that were approved to bill Medicare and had a change of ownership at the time the files were created. The initial data will consist of any change of ownership transactions that occurred on or after January 1, 2016, for currently approved hospital enrollments. This date is given in the **EFFECTIVE DATE** field in the **HOSPITAL_CHOW** file. For the buyer and seller enrollments that engaged in change of ownership transactions, the files also include their active ownership information as they relate to Medicare provider enrollment.

2.2 CHANGE OF OWNERSHIP DATA

For each enrollment in the population specified in Section 2.1 (i.e., all approved hospital enrollments that had a change of ownership), the files contain basic provider enrollment information; change of ownership transaction information, and reported ownership information. This information is stored in three separate relational data files. This is due to the one-to-many relationships between enrollment and change of ownership application information, and ownership information and provider NPIs. A brief description of each file's contents is given below.

HOSPITAL_CHOW – This file contains a unique listing of CHOW transactions that occurred on or after January 1, 2016, for currently approved hospital enrollments. The enrollment ID of the buyer is given in the **ENROLLMENT ID – BUYER** field. The enrollment ID of the seller is given in the **ENROLLMENT ID – SELLER** field. The **ENROLLMENT ID – BUYER** field can be linked to the **ENROLLMENT ID** field in the **HOSPITAL_CHOW_OWNERS** file to obtain information on the new owners, and the **ENROLLMENT ID – SELLER** field can be linked to the **ENROLLMENT ID** field to obtain information on the old owners.

The file also includes the PECOS-assigned identifier, PECOS Associate Control ID or PAC ID, which is used to identify enrolling providers, buyer/seller's legal business name, buyer/seller's doing-business-as name, enrollment state, provider type, CCN, NPI, type of change of ownership (Change of Ownership (CHOW), Acquisition/Merger, and Consolidation) and effective date of the CHOW transaction. The PAC ID of the buyer is given in the **ASSOCIATE ID – BUYER** field, and the PAC ID of the seller is given in the **ASSOCIATE ID – SELLER** field.

HOSPITAL_CHOW_OWNERS – This file contains a unique listing of the associates with active ownership interest or managing control in the buyer or seller enrollments involved in change of ownership transactions in the **HOSPITAL_CHOW** file. The **ENROLLMENT ID** field can be linked to the **ENROLLMENT ID – BUYER** or **ENROLLMENT ID – SELLER** field in the **HOSPITAL_CHOW** file to obtain information on the change of ownership transaction.

This file also includes individual owner's first, middle, and last names, organizational owner's legal business name and doing-business-as name, mailing address (for organizational owners only), ownership or managing control role, owner's association date to the hospital enrollment, percentage of ownership

interest, and organization type of owner, along with the associate level variable (PAC ID) for owners from PECOS database. The owner PAC ID is given in the `ASSOCIATE ID - OWNER` field in the `HOSPITAL_CHOW_OWNERS` file and can be used to identify owners associated with multiple hospital enrollments.

`HOSPITAL_CHOW_NPIS` – This file contains the additional National Provider Identifiers (NPIs) found for the buyer and seller enrollments from the `HOSPITAL_CHOW` file with more than one NPI. These buyer/seller enrollments with multiple NPIs are flagged with the `MULTIPLE NPI FLAG - BUYER/SELLER` fields in the `HOSPITAL_CHOW` file.

3 COMMON DATA OPERATIONS

This section outlines how to use the Provider Enrollment – Hospital Change of Ownership files to perform common data operations. The data operations described below are meant to be illustrative of how to use and link the files described in Section 2. Section 3.1 explains how to identify all enrollments for a buyer or seller based on PECOS Associate Control ID (PAC ID). Section 3.2 provides instructions for identifying an enrollment’s provider type and specialty using the `PROVIDER TYPE CODE – BUYER/SELLER` and `PROVIDER TYPE TEXT – BUYER/SELLER` fields. Section 3.3 provides instructions for identifying ownership information for a buyer/seller. Section 3.4 explains how to identify an owner or managerial control that is associated with multiple organizations. Section 3.5 provides instructions for using the `HOSPITAL_CHOW_NPIS` file.

3.1 IDENTIFYING ALL ENROLLMENTS FOR A BUYER/SELLER

The PECOS Associate Control ID or PAC ID (`ASSOCIATE ID – BUYER/SELLER`) is used to identify an enrolled provider. For most enrollment scenarios, the PAC ID maps closely to an SSN for individual providers and an EIN for organizational providers. A provider may enroll multiple times, under different enrollment scenarios. One common example is when a provider enrolls in multiple states to bill to Medicare in multiple states. For each enrollment, an enrollment ID (`ENROLLMENT ID – BUYER/SELLER`) is issued and associated with the PAC ID. Therefore, one PAC ID may be associated with one or more enrollment ID. All enrollments in the `HOSPITAL_CHOW` file that share a PAC ID are associated with the same provider.

3.2 IDENTIFYING ENROLLMENT PROVIDER TYPE AND SPECIALTY

The `PROVIDER TYPE CODE – BUYER/SELLER` and `PROVIDER TYPE TEXT – BUYER/SELLER` fields contain information on the type and specialty of each provider. The `PROVIDER TYPE CODE – BUYER/SELLER` fields, which are five digits long, are structured such that the first two digits encode the type of enrollment submitted when the provider enrolled, and the last two digits encode the enrollment specialty (the code pairs are separated by a hyphen).

The enrollment type (first two digits of the `PROVIDER TYPE CODE – BUYER/SELLER` fields) will be ‘00’ – PART A PROVIDER for hospitals.

The specialty code (last two digits of the `PROVIDER TYPE CODE – BUYER/SELLER` fields) takes on values specific to the enrollment type. See the data dictionary for the full list of specialty codes and descriptions for Part A providers.

3.3 IDENTIFYING OWNERSHIP INFORMATION FOR A BUYER/SELLER

To identify the associates with ownership interest or managing control for the buyer/seller that are involved with a specific transaction, the `ENROLLMENT ID – BUYER/SELLER` field from the `HOSPITAL_CHOW` file can be linked to the `ENROLLMENT ID` field in the `HOSPITAL_CHOW_OWNERS` file, where the `ASSOCIATE ID – OWNER` field contains the unique identifier for the associate with an ownership interest in or managing control of the buyer/seller enrollment, and the `ROLE TEXT – OWNER` field describes the type of ownership interest or managing control.

3.4 IDENTIFYING OWNERS ASSOCIATED WITH MULTIPLE HOSPITALS

To additionally identify the associates with ownership interest or managing control across multiple organizations within the **HOSPITAL_CHOW_OWNERS** file, the **ASSOCIATE ID - OWNER** field, which contains the unique identifier for the associate with an ownership interest in or managing control of the enrollment, can be used. All enrollments that share **ASSOCIATE ID - OWNER** have that associate in common. However, the association role and date may vary. The resulting file can be aggregated to the entity level by grouping at the **ASSOCIATE ID - OWNER** level to obtain all hospitals the owner is associated with.

3.5 IDENTIFYING ADDITIONAL NPIS FOR A PROVIDER

If a buyer or seller enrollment has the **MULTIPLE NPI FLAG - BUYER/SELLER** field set to yes ('Y') in the **HOSPITAL_CHOW** file, then the enrollment can be linked to the **ENROLLMENT ID** field in the **HOSPITAL_CHOW_NPIS** file to retrieve additional NPIs not displayed in the **HOSPITAL_CHOW** file.

3.6 MERGING RELATIONAL FILES FOR NON-ADMINISTRATIVE PURPOSES

Many of the data used in health services research were originally constructed for an administrative purpose. For instance, claims for health care services are, of course, constructed for payment purposes, but claim databases are a mainstay of health services research.

For some non-administrative purposes, the CHOW database would ideally be structured as follows: because the same hospital cannot be sold twice on the same day, the combination of the CCN and the effective date of a change of ownership (**EFFECTIVE DATE**) would uniquely identify a CHOW transaction. To create such a file, one might drop a small percentage of the data points in the **HOSPITAL_CHOW** file. This modified file could then be merged (one-to-many) with the **HOSPITAL_CHOW_OWNERS** file.³

³ If one is merging using the **ENROLLMENT ID** field, the **HOSPITAL_CHOW** file needs to be made unique in terms of both the buyer and the seller application IDs.

4 MERGING TO NON-PECOS DATA

The data in these files can be enhanced by merging them to non-PECOS data. For instance, Medicare Cost Reports⁴ can be linked to these files using the Medicare provider ID (CCN). Cost reports are submitted by hospitals annually and subsequently are made available to the public. They include variables such as total revenue, costs, and number of beds.

The Agency for Healthcare Research and Quality (AHRQ) has published its Compendium of Healthcare Systems. Its hospital linkage file has assigned hospitals participating in Medicare to health care systems (or to no system).⁵ Using the CCN, this file can be linked to the PECOS files to find which hospitals were in a given healthcare system.

⁴ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Cost-Reports>, accessed 3-31-2022.

[http://resdac.umn.edu/sites/resdac.umn.edu/files/Introduction%20to%20Medicare%20Cost%20Reports%20\(Slides\)_0.pdf](http://resdac.umn.edu/sites/resdac.umn.edu/files/Introduction%20to%20Medicare%20Cost%20Reports%20(Slides)_0.pdf), accessed 3-31-2022.

⁵ <https://www.ahrq.gov/chsp/data-resources/compendium-2018.html>, accessed 3-30-2022.

5 DATA LIMITATIONS

Although the Hospital Change of Ownership files mark an unprecedented release of provider enrollment data, they have a few limitations that are worth noting. These data limitations are detailed below.

5.1 ADDITIONAL ENROLLMENT RESTRICTIONS

In addition to restricting to hospital enrollments that are currently approved to bill in Medicare and had a change of ownership since January 1, 2016, the files omit a small number of enrollments known to have PECOS data quality issues. Data quality issues include, but are not limited to:

- CHOW records missing a buyer or seller enrollment
- Enrollments without required key information

6 CONTACT INFORMATION

Please contact Provider Enrollment Oversight Group at CMS/CPI at ProviderEnrollmentDataRequests@cms.hhs.gov for questions and suggestions related to these data files.

APPENDIX A – REVISION HISTORY

Revision	Date	Name	Description of Modification
2	2022-09-30	CPI-PEOG	Removal of Appendices A-G containing data dictionaries and reference tables. This information will be imported into separate data dictionary documents.
1	2022-09-06	CPI-PEOG	Baseline document.