

Provider Protocols and Procedures Checklist when Ending Operations

▪ Keeper of Records (HIPAA)

If a physician moves, retires, or passes away, sometimes another physician will either “buy-out” or take over their practice. The “active” patients are usually notified by mail (e-mail, phone) and told where to obtain their records.

▪ Patient Notification

Upon the death of a physician, practices have obligations to notify certain regulatory agencies and business partners or vendors, which will likely vary given the type and size of the practice and its contractual obligations. Most importantly, practices must notify patients as soon as possible to facilitate continued patient care.

▪ Agency Notification

The practice should also notify any state licensing boards, malpractice carriers, and third-party payors of a physician’s death. Upon notification, it is likely that these entities will provide specific guidance on terminating any ongoing obligations with respect to the deceased physician.

▪ Wisconsin Board Notification

Chir 3.05 Change of name and address. Every licensee shall report his or her address to the department and shall notify the board of a change of name or address within 30 days of the change.

▪ Ongoing Liability

Retaining medical records is a good practice because patients can sue the physician’s estate for malpractice until the statute of limitations expires. Thus, beneficiaries may

also want to check the physician's malpractice insurance to see what kind of policy the deceased provider had and decide if the coverage is sufficient. For example, if the physician had an Occurrence Policy, which provides coverage for any event that occurred during the policy period, no additional coverage would be necessary. Occurrence Policies provide the broadest coverage and, thus, are usually the most expensive. In the alternative, many physicians have a Claims-Made Policies, which only cover claims reported during the policy period. If the deceased physician had a Claims-Made Policy, the estate or practice may want to obtain additional insurance coverage.

- Medicare Considerations – Deceased Practitioners

15.28 – Deceased Practitioners Reports of Death from the Social Security Administration (SSA) Contractors, including the NSC MAC, will receive from CMS a monthly file that lists individuals who have been reported as deceased to the SSA. To help ensure that Medicare maintains current enrollment and payment information and to prevent others from utilizing the enrollment data of deceased individuals, the contractor shall undertake the activities described below.

- Change of Ownership Rules for Medicare

When a healthcare provider or supplier is enrolled in Medicare, certain transactions, including an asset transfer to a new owner, are typically classified by the Centers for Medicare & Medicaid Services ("CMS") as a change of ownership, or CHOW, which required notification from both seller and buyer, and CMS Regional Office ("RO") approval. Such a transaction often results in formal assignment of the Medicare number and, if applicable, Medicare provider agreement, to the new owner. In

comparison, transactions involving stock or membership transfers or other reorganizations that do not change the tax identification number ("TIN") on file with CMS typically require the filing of an update of ownership information with CMS.

- Notification of Taxing and Regulatory Authorities

The health care provider should consult with an appropriate tax or financial advisor to ensure that all applicable taxing and regulatory authorities are properly notified of any sale or transfer of the business resulting from death or retirement of the provider; as well as, any substantial change of business identity. The regulatory agencies may include both the unemployment and workers compensation division of the Department of Workforce Development. It is particularly important to timely notify the unemployment division of any sale, transfer, or reorganization of the business to avoid tax penalties. Additionally, the Department of Revenue and Internal Revenue Service should also be notified in a timely manner of the termination or change of any business ownership or identity.

- Notification of State's Business Registration Agency

In Wisconsin the Department of Financial Institutions should be notified when a business is no longer in operation. This notification is necessary to suspend the fee for the business's annual registration.

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