

# PROVIDER BASED RULES AUDIT PROTOCOL

This simple audit is useful for hospital-based entities, departments and remote locations. The provider-based rules are not applicable to ASCs, HHAs, CORFs, SNFs, labs and ESRD facilities.

## 1. Operating Under the Same License

Do the entities operate under the same license (unless otherwise required by the state)?

Yes\_\_\_\_\_ No\_\_\_\_\_

## 2. Financial Integration\*\*

Is there shared income and expenses between the entities? Yes\_\_\_\_\_ No\_\_\_\_\_

Are the costs of the provider-based entity reported in a cost center of the main provider?

Yes\_\_\_\_\_ No\_\_\_\_\_

Is the provider-based entity easily identifiable in the main provider's trial balance?

Yes\_\_\_\_\_ No\_\_\_\_\_

## 3. Clinical Integration\*\*

Do the entities have an integrated medical staff? Yes\_\_\_\_\_ No\_\_\_\_\_

Do the entities have integrated medical records? Yes\_\_\_\_\_ No\_\_\_\_\_

Is quality monitoring the same? Yes\_\_\_\_\_ No\_\_\_\_\_

Do patients at the provider-based facility have access to the main provider services?

Yes\_\_\_\_\_ No\_\_\_\_\_

## 4. Public Awareness\*\*

Is the main provider name included on:

Outside signage Yes\_\_\_\_\_ No\_\_\_\_\_

Advertising Yes\_\_\_\_\_ No\_\_\_\_\_

Patient Bills Yes\_\_\_\_\_ No\_\_\_\_\_

Registration Forms Yes\_\_\_\_\_ No\_\_\_\_\_

Medical Records Yes\_\_\_\_\_ No\_\_\_\_\_

**\*\*Not meeting a few of the examples cited by CMS wouldn't necessary mean that the entity is not provider-based. However, going forward, it would be prudent to consider why examples and not met and then meet as many as possible so payment to the main provider will not be questioned.**

**Additional Rules For Off-Campus Providers (located 250 yards from main buildings)**

1. Ownership

Is the provider-based entity 100% owned by the main provider (if not, must be located on main campus of the provider that bills for its services)? Yes\_\_\_\_\_ No\_\_\_\_\_

2. Control\*\*

Do the entities have the same governing body? Yes\_\_\_\_\_ No\_\_\_\_\_

Do the entities have common bylaws? Yes\_\_\_\_\_ No\_\_\_\_\_

Does the main provider's governing body have final approval over administrative decisions, contracts and personnel policies? Yes\_\_\_\_\_ No\_\_\_\_\_

2. Administration and Supervision\*\*

Is the provider-based entity is under the same monitoring and oversight as any other department of the main provider? Yes\_\_\_\_\_ No\_\_\_\_\_

Does the provider-based director maintain a reporting relationship to the main provider and accountability to the governing body just like any other department? Yes\_\_\_\_\_ No\_\_\_\_\_

Do the entities share, contract out together or have the main provider manage the provider-based entities:

Billing services	Yes_____	No_____
Records	Yes_____	No_____
Human resources	Yes_____	No_____
Payroll	Yes_____	No_____
Employee salary structure	Yes_____	No_____
Employee benefit package	Yes_____	No_____
Purchasing services	Yes_____	No_____

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3. Location

a. Does the main provider have a disproportionate share adjustment of greater than 11.75%, and is it owned or operated by: (a) a unit of state/local government; (2) a public or non-profit corporation granted governmental power; or (3) a private entity with a state/local contract that includes operating the off-campus clinic?

Yes\_\_\_\_\_ No\_\_\_\_\_

b. Is the main provider a children's hospital that: (1) has intensive care units that accept newborn infants; (2) is in a rural area at least 35 miles from other neonatal intensive care units; and (3) is located within a 100-miles of the hospital-based clinic?

Yes\_\_\_\_\_ No\_\_\_\_\_

c. Is the provider-based clinic a rural health clinic and does the main hospital have fewer than 50 beds and is it located in a rural area? Yes\_\_\_\_\_ No\_\_\_\_\_

IF NONE OF THE ABOVE:

During a 12-month period are 75% of the provider-based entities patients from the same zip code as 75% of the main provider's patients? Yes\_\_\_\_\_ No\_\_\_\_\_

During a 12-month period did 75% of the provider-based entities patients that needed inpatient care receive it from the main provider? Yes\_\_\_\_\_ No\_\_\_\_\_

If the provider-based entity was not in operation for 12 months, is it in the same zip code area as at least 75% of the patients served by the main provider?

Yes\_\_\_\_\_ No\_\_\_\_\_

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