

Instructions for Completing the Disclosure of Ownership and Control Interest Statement

Completion and submission of this form is a condition of participation, certification or recertification under any of the programs established by Titles V, XVIII, XIX and XX or as a condition of approval or renewal of a contractor agreement between the disclosing entity and the secretary of appropriate state agency under any of the above-titled programs, a full and accurate disclosure of ownership and financial interest is required. Failure to submit requested information may result in a refusal by the appropriate State agency to enter into an agreement or contract with any such institution in termination of existing agreements.

GENERAL INSTRUCTIONS

Please answer all questions as of the current date. If the yes block for any item is checked, list requested additional information under the Remarks Section referencing the item number to be continued. If additional space is needed, use an attached sheet.

DETAILED INSTRUCTIONS

These instructions are designed to clarify certain questions on the form. Instructions are listed in order of question for easy reference. NO instructions have been given for questions considered self-explanatory.

IT IS ESSENTIAL THAT ALL APPLICABLE QUESTIONS BE ANSWERED ACCURATELY AND THAT ALL INFORMATION BE CURRENT.

ITEM I – Identifying Information

- (a) Under identifying information specify in what capacity the entity is doing business as (DBA), example, and name of trade or corporation.

ITEM II – Self-explanatory.

ITEM III – Owners, Partners, Officers, Directors, and Principals

List the names of all individuals and organizations having direct or indirect ownership interests, or controlling interest separately or in combination amounting to an ownership interest of 5 percent or more in the disclosing entity. 501 (c) (3) nonprofit and state-owned entities must list the officers or directors that have a control interest in the entity and managing employees in Section III(a). Since there will be no entries for any person with an ownership interest (Section III(b)), the percentage of ownership will always be less than 100 percent.

Direct ownership interest is defined as the possession of stock, equity in capital or any interest in the profits of the disclosing entity. A disclosing entity is defined as a Medicare provider or supplier or other entity that furnishes services or arranges for furnishing services under Medicaid or the Maternal and Child Health program or health related services under the social services program.

Indirect ownership interest is defined as ownership interest in an entity that has direct or indirect ownership interest in the disclosing entity. The amount of indirect ownership in the disclosing entity that is held by any other entity is determined by multiplying the percentage of ownership interest at each level. An indirect ownership interest must be reported if it equates to an ownership interest of 5 percent or more in the disclosing entity. Example: if “A” owns 25 percent of the stock in a corporation that owns 80 percent of the stock of the disclosing entity, “A’s” interest equates to a 20 percent indirect ownership and must be reported.

Controlling interest is defined as the operational direction or management of a disclosing entity which may be maintained by any or all of the following devices; the ability or authority, expressed or reserved to amend or change the corporate identity (i.e., joint venture agreement, unincorporated business status) of the disclosing entity; the ability or authority to nominate or name members of the Board of Directors or Trustees of the disclosing entity; the ability or authority, expressed or reserved to amend or change the by-laws, constitution or other operating or management direction of the disclosing entity; the right to control any or all of the assets or other property of the disclosing entity upon the sale or dissolution of that entity; the ability or authority, expressed or reserved to control the sale of any or all of

(continued on next page)

(continued from previous page)

the assets to encumber such assets by way of mortgage or other indebtedness, to dissolve the entity or to arrange for the sale or transfer of the disclosing entity to new ownership or control.

Note: All individuals listed in Section III(a) must submit a PIF-2.

ITEMS IV through VII – Changes in Provider Status

Change in provider status is defined as any change in management control. Examples of such changes would include a change in Medical or Nursing Director, a new Administrator, contracting the operation of the facility to a management corporation, a change in the composition of the owning partnership which under applicable State law is not considered a change in ownership, or the hiring or dismissing of any employees with 5 percent or more financial interest in the facility or in an owning corporation, or any change of ownership.

For items IV through VII, if the **Yes** box is checked, list additional information requested under Remarks. Clearly identify which item is being continued.

ITEM IV – Ownership

(a & b) If there has been a change in ownership within the last year or if you anticipate a change, indicate the date in the appropriate space.

ITEM V – Management

If the answer is “Yes,” list name or the management firm and employer identification number (EIN) or the leasing organization. A management company is defined as any organization that operates and names a business on behalf of the owner of that business with the owner retaining ultimate legal responsibility for operation of the facility.

ITEM VI – Staffing

If the answer is “Yes,” identify which has changed (Administrator, Medical Director or Director of Nursing) and the date the change was made. Be sure to include name of the new administrator, Director of Nursing or Medical Director, as appropriate.

ITEM VII – Affiliation

A chain affiliate is any freestanding health-care facility that is owned, controlled, or operated under lease or contract by an organization consisting of two or more freestanding health-care facilities organized within or across State lines which is under the ownership or through any other device, control and direction of a common party. Chain affiliates include such facilities whether public, private, charitable or proprietary. They also include subsidiary organizations and holding corporations. Provider-based facilities such as hospital-based home health agencies are not considered to be chain affiliates.

ITEM VIII – Capacity

If the answer is “Yes,” list the actual number of beds in the facility now and the previous number.

ITEM IX - Disclosure of Relationship

Please disclose any of familial relationships between principals and/or the provider (i.e., Husband, Wife, Natural or Adoptive Parent, Natural or Adoptive Child, Natural or Adoptive Sibling).

Disclosure of Ownership

This form is required for all individuals, groups, and facilities (excluding performing providers and SHARS providers).

I.	Identifying information				
(a)	Legal Name <i>(according to the IRS):</i>	DBA:	Telephone Number:		
	Physical/Corporate Address:				
	Number	Street	Suite	City	State ZIP
II.	Answer the following questions by checking Yes or No.				
	<i>If any of the questions are answered Yes, list names and addresses of individuals or corporations under Remarks on the Disclosure of Ownership and Control Interest Statement form. Identify each item number to be continued.</i>				
(a)	Are there any individuals or organizations having a direct or indirect ownership or control interest of five percent or more in the institution, organizations, or agency that have been convicted of a criminal offense related to the involvement of such persons, or organizations, in any of the programs established by Titles XVIII, XIX, or XX?			<input type="checkbox"/> Yes <input type="checkbox"/> No	
(b)	Does this provider have any current employees in the position of manager, accountant, auditor, or in a similar capacity and who were previously employed by this provider's fiscal intermediary or carrier within the last 12 months? <i>(Medicare providers only)</i>			<input type="checkbox"/> Yes <input type="checkbox"/> No	
III.	Type of Entity <i>(Select only one; must match entity on W9):</i>				
	<input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership				
	<input type="checkbox"/> Limited liability company <i>(Enter the tax classification [C=C corporation, S=S corporation, P=partnership]):</i> _____				
	<input type="checkbox"/> Trust/estate <input type="checkbox"/> Other <i>(specify)</i> _____				
Do you have a 501(c)(3) Internal Revenue Exemption? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Providers who answer "yes" to the question "Do you have a 501(c)(3) Internal Revenue Exemption" must submit a copy of their IRS Exemption Letter with submission of this application's signature page. Providers who have a 501(c)(3) Internal Revenue Exemption are not required to submit a copy of the Franchise Tax Account Status from the State Comptroller's Office.					
(a)	List the names of any other person or entity with ownership of a controlling interest in the applicant (whether such ownership of the controlling interest is direct or indirect). Provide the entity's name and federal tax identification number. <i>See Instructions for Completing the Disclosure of Ownership and Control Interest Statement. List any additional names and addresses under Remarks on the Disclosure of Ownership and Control Interest Statement. If more than one individual is reported and any of these persons are related to each other, this must be reported under Remarks.</i>				
	1.	Name:	Address:	Federal Tax ID:	
	2.	Name:	Address:	Federal Tax ID:	
	3.	Name:	Address:	Federal Tax ID:	

(b)	Do you currently have a creditor with a security interest in a debt that is owed by you?		<input type="checkbox"/> Yes <input type="checkbox"/> No
	Is the creditor(s) security interest protected by at least 5 percent of your property?		<input type="checkbox"/> Yes <input type="checkbox"/> No
	List each creditor with a security interest in a debt that is owed by you if the creditor's security interest is protected by at least 5 percent of your property. <i>All listed creditors must also complete a Principal Information Form (PIF-2).</i>		
	Last Name/Company Name:	First Name:	Percent of Security Interest:

(c)	If the disclosing entity is a corporation, list names, addresses of the directors and EINs for corporations in remarks. <i>Note: Each director identified in this section must also complete a PIF-2. All PIF-2 documents must be submitted with this application. Attach additional pages if needed.</i>
	Remarks:

Section B: Owners, Partners, Officers, Directors, and Principals

Identify individuals who are sole proprietors or owners, partners, officers, directors, and principals (as defined in the Principal Information Form [PIF-2]) of the applicant and list the percentage of ownership, if applicable. Total ownership should equal 100 percent unless otherwise noted in the instructions. If ownership does not total 100 percent, the provider must submit a letter explaining the discrepancy. As it relates to owners, include all individuals with 5 percent or more ownership in the company, whether this ownership is direct or indirect. *(Add additional pages if necessary.)*

1.	Name:		Percentage Owned:	
2.	Name:		Percentage Owned:	
3.	Name:		Percentage Owned:	

IV. Ownership		
(a)	Has there been a change in ownership or control within the last year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "Yes," give date:</i>	
(b)	Are you seeking enrollment due to change of ownership?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "Yes," give date:</i>	
(c)	Do you anticipate any change of ownership or control within the year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "Yes," give date:</i>	
(d)	Do you anticipate filing for bankruptcy within the year? <i>(see provider agreement for additional information)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "Yes," give date:</i>	
(e)	Are any of the new owners related to any of the former owners?	<input type="checkbox"/> Yes <input type="checkbox"/> No

(f)	Did any former owners transfer their ownership interest to any new owners in anticipation of or following the assessment of a civil monetary penalty? If “Yes,” please list the name of the former owners below.		<input type="checkbox"/> Yes <input type="checkbox"/> No
	Last Name:	First Name:	Middle Initial:

V. Management		
Does the provider identified in Section I. above comprise or include a facility that is operated by a management company, or a facility that is leased in whole or in part by another organization?		<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If “Yes,” give date of change in operations:</i>		

VI. Staffing		
(a)	Has there been a change in Administrator, Director of Nursing, or Medical Director within the last year?	<input type="checkbox"/> Yes <input type="checkbox"/> No

VII. Affiliation		
(a)	Is the provider identified in Section I. above chain affiliated?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If “Yes,” provide the name, address, and Federal Tax ID number of the chain’s corporate/home office:</i>		
	Name	Address
		Federal Tax ID

VIII. Capacity		
(a)	Have you increased your bed capacity by 10 percent or more or by 10 beds, whichever is greater, within the last two years? (For Hospitals only)	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If “Yes,” give:</i> Year of change:	Current Beds: Prior Beds:

IX. Disclosure of Relationship		
(a)	Please disclose any of the following familial relationships between principals and/or the provider (Husband, Wife, Natural or Adoptive Parent, Natural or Adoptive Child, Natural or Adoptive Sibling):	
	Provider/Principal 1:	Has a Relationship as:
		To Provider/Principal Name 2:

PLEASE NOTE: When claiming “Corporation” providers must complete and return the following forms:

- Corporate Board of Directors Resolution Form, original signature and notarized.
- Certificate of Formation, Certificate of Filing, Certificate of Authority, or Certificate of Registration.
- Franchise Tax Account Status, available at <https://mycpa.cpa.state.tx.us/coa/Index.html>.