This fact sheet is now archived.
Originally available from November 22, 2021 to June 30, 2022, for current information, visit: https://www.hrsa.gov/provider-relief/reporting-auditing/ownership-changes.

HRSA Provider Relief

Provider Relief Fund

Ownership Changes Fact Sheet

The updated Terms and Conditions for Phase 4 and ARP Rural payments requires recipients to notify HHS of a merger with, or acquisition of, any other health care provider during the Payment Received Period within the Reporting Time Period. HRSA considers all of the ownership changes described below to be reportable events.

Providers may, but are not required to, apply the definitions found in this guidance for reporting on PRF distributions in any reporting period. Only providers required to report on Phase 4 and ARP Rural payments will be required to apply this guidance when reporting on funds.

Ownership Changes Reporting Guidance

For purposes of the PRF, a **Change of Ownership (CHOW)** typically occurs when a selling provider has been purchased (or leased) by another organization. The CHOW results in the **transfer of the seller's Tax Identification Number (TIN)** to the purchaser or lessee.

- If the **purchaser (or lessee)** elects **not to accept** a transfer of the TIN, then its use of any of the seller's unused PRF funds is **not permitted**, and the purchaser or lessee must apply as a new applicant for future PRF funds.

An **acquisition/merger** occurs when a provider is purchasing or has been purchased by another provider, and **only the purchaser's TIN remains**.

- Acquisitions/mergers are distinct from CHOWs. In the case of an acquisition/merger, two entities combine and the **seller's TIN dissolves**. The **TIN of the purchasing entity** remains intact. (In the case of a CHOW, the seller/former owner's TIN typically remains intact and is transferred to the new owner.)

A **consolidation** occurs when **two or more providers** consolidate to **form a new business entity**.

- Consolidations are distinct from acquisitions/mergers. During a consolidation, the **TINs** of the **consolidating entities dissolve** and **a new** TINs is assigned to the **new, consolidated entity**.

In the case of any of the above transactions, responsibility for PRF reporting lies with the **filing TIN** that **received** the funds.

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[1] *While this fact sheet provides information to assist providers on reporting questions related to change in ownership, it is not intended as legal advice. For accounting questions, please consult your financial advisor or accounting professional.*

Ownership Change Scenarios

When Did the Seller Receive the Payment?	Scenario	Can the Seller/Acquired Entity Use the Funds?	Can the Purchaser/Acquiring Entity Use the Funds?
PRF Payment Received After Transaction	**Seller** received a payment based on its previously owned Tax Identification Number's (TIN), which is now closed	No, the **Seller** must return the funds	No, the **Purchaser** may not use the funds
	Seller received a payment based on its previously owned Tax Identification Number's (TIN) that transferred to the **Purchaser**	Yes, the **Seller** may use the funds	Yes, the **Purchaser** may use the funds
PRF Payment Received Before Transaction	**Purchaser**, of which **Seller** is now a subsidiary, received a payment under a new TIN	Yes, the **Seller** may use the funds	Yes, the **Purchaser** may use the funds
	Seller received a PRF payment; a transaction then occurred and the **Seller's** TIN is closed	**Seller** may use the funds until the date of the sale. If the **Seller** still has other eligible entities, they may continue to use funds; otherwise, the **Seller** must return the unused funds	No, the **Purchaser** may not use the seller's PRF funds
	Seller received a PRF payment; a CHOW occurred and the **Seller's** TIN was transferred to the **Purchaser**	Yes, the **Seller** may use the funds	Yes, the **Purchaser** may use the funds

Returning Unused Funds

Once the report has been filed, the provider must return any unused funds to the government within **30 calendar days** after the **end of the applicable Reporting Time Period**, as explained in the Terms and Conditions, and the June 11, 2021 Reporting Requirements Notice.

More information can be found in the Returning Funds Fact Sheet.