

## § 405.2434

## 42 CFR Ch. IV (10–1–23 Edition)

this chapter when CMS fails to enter into an agreement with the entity.

[57 FR 24978, June 12, 1992, as amended at 61 FR 14657, Apr. 3, 1996; 79 FR 25476, May 2, 2014]

### § 405.2434 Content and terms of the agreement.

Under the agreement, the FQHC must agree to the following:

(a) *Maintain compliance with the requirements.* (1) The FQHC must agree to maintain compliance with the FQHC requirements set forth in this subpart and part 491, except that the provisions of § 491.3 do not apply.

(2) FQHCs must promptly report to CMS any changes that result in non-compliance with any of these requirements.

(b) *Effective date of agreement.* The effective date of the agreement is determined in accordance with the provisions of § 489.13 of this chapter.

(c) *Charges to beneficiaries.* (1) For non-FQHC services that are billed to Part B, the beneficiary is responsible for payment of a coinsurance amount which is 20 percent of the amount of Part B payment made to the FQHC for the covered services.

(2) The beneficiary is responsible for blood deductible expenses, as specified in § 410.161.

(3) The FQHC agrees not to charge the beneficiary (or any other person acting on behalf of a beneficiary) for any FQHC services for which the beneficiary is entitled to have payment made on his or her behalf by the Medicare program (or for which the beneficiary would have been entitled if the FQHC had filed a request for payment in accordance with § 410.165 of this chapter), except for coinsurance amounts.

(4) The FQHC may charge the beneficiary for items and services that are not FQHC services. If the item or service is covered under Medicare Part B, the FQHC may not charge the beneficiary more than 20 percent of the Part B payment amount.

(d) *Refunds to beneficiaries.* (1) The FQHC must agree to refund as promptly as possible any money incorrectly collected from Medicare beneficiaries or from someone on their behalf.

(2) As used in this section, “money incorrectly collected” means any amount for covered services that is greater than the amount for which the beneficiary was liable because of the coinsurance requirements specified in part 410, subpart E.

(3) Amounts also are considered incorrectly collected if the FQHC believed the beneficiary was not entitled to Medicare benefits but—

(i) The beneficiary was later determined to have been so entitled;

(ii) The beneficiary’s entitlement period fell within the time the FQHC’s agreement with CMS was in effect; and

(iii) The amounts exceed the beneficiary’s coinsurance liability.

(e) *Treatment of beneficiaries.* (1) The FQHC must agree to accept Medicare beneficiaries for care and treatment.

(2) The FQHC may not impose any limitations with respect to care and treatment of Medicare beneficiaries that it does not also impose upon all other persons seeking care and treatment from the FQHC. Failure to comply with this requirement is a cause for termination of the FQHC’s agreement with CMS in accordance with § 405.2436(d).

(3) If the FQHC does not furnish treatment for certain illnesses and conditions to patients who are not Medicare beneficiaries, it need not furnish such treatment to Medicare beneficiaries.

[57 FR 24978, June 12, 1992, as amended at 79 FR 25476, May 2, 2014]

### § 405.2436 Termination of agreement.

(a) *Termination by FQHC.* The FQHC may terminate its agreement by—

(1) Filing with CMS a written notice stating its intention to terminate the agreement; and

(2) Notifying CMS of the date on which the FQHC requests that the termination take effect.

(b) *Effective date.* (1) Upon receiving a FQHC’s notice of intention to terminate the agreement, CMS will set a date upon which the termination takes effect. This effective date may be—

(i) The date proposed by the FQHC in its notice of intention to terminate, if that date is acceptable to CMS; or

(ii) Except as specified in paragraph (2) of this section, a date set by CMS,

which is no later than 6 months after the date CMS receives the FQHC's notice of intention to terminate.

(2) The effective date of termination may be less than 6 months following CMS's receipt of the FQHC's notice of intention to terminate if CMS determines that termination on such a date would not—

(i) Unduly disrupt the furnishing of FQHC services to the community; or

(ii) Otherwise interfere with the effective and efficient administration of the Medicare program.

(3) The termination is effective at the end of the last day of business as a FQHC.

(c) *Termination by CMS.* (1) CMS may terminate an agreement with a FQHC if it finds that the FQHC—

(i) No longer meets the requirements specified in this subpart; or

(ii) Is not in substantial compliance with—

(A) The provisions of the agreement; or

(B) The requirements of this subpart, any other applicable regulations of this part, or any applicable provisions of title XVIII of the Act.

(2) *Notice by CMS.* CMS will notify the FQHC in writing of its intention to terminate an agreement at least 15 days before the effective date stated in the written notice.

(3) *Appeal.* A FQHC may appeal CMS's decision to terminate the agreement in accordance with part 498 of this chapter.

(d) *Effect of termination.* When a FQHC's agreement is terminated whether by the FQHC or CMS, payment will not be available for FQHC services furnished on or after the effective date of termination.

[57 FR 24978, June 12, 1992, as amended at 79 FR 25476, May 2, 2014]

**§ 405.2440 Conditions for reinstatement after termination by CMS.**

When CMS has terminated an agreement with a FQHC, CMS does not enter into another agreement with the FQHC to participate in the Medicare program unless CMS—

(a) Finds that the reason for the termination no longer exists; and

(b) Is assured that the reason for the termination of the prior agreement will not recur.

[57 FR 24978, June 12, 1992, as amended at 79 FR 25476, May 2, 2014]

**§ 405.2442 Notice to the public.**

(a) When the FQHC voluntarily terminates the agreement and an effective date is set for the termination, the FQHC must notify the public in the area serviced by the FQHC prior to a prospective effective date or on the actual day that business ceases, if no prospective date of termination has been set. The notice must include—

(1) Effective date of termination of the provision of services; and

(2) Effect of termination of the agreement.

(b) When CMS terminates the agreement, CMS will notify the public in the area serviced by the FQHC.

[57 FR 24978, June 12, 1992, as amended at 79 FR 25476, May 2, 2014; 82 FR 38509, Aug. 14, 2017]

**§ 405.2444 Change of ownership.**

(a) *What constitutes change of ownership—*(1) *Incorporation.* The incorporation of an unincorporated FQHC constitutes change of ownership.

(2) *Merger.* The merger of the FQHC corporation into another corporation, or the consolidation of two or more corporations, one of which is the FQHC corporation, resulting in the creation of a new corporation, constitutes a change of ownership. (The merger of another corporation into the FQHC corporation does not constitute change of ownership.)

(3) *Leasing.* The lease of all or part of an entity constitutes a change of ownership of the leased portion.

(b) *Notice to CMS.* A FQHC which is contemplating or negotiating change of ownership must notify CMS.

(c) *Assignment of agreement.* When there is a change of ownership as specified in paragraph (a) of this section, the agreement with the existing FQHC is automatically assigned to the new owner if it continues to meet the conditions to be a FQHC.

(d) *Conditions that apply to assigned agreements.* An assigned agreement is subject to all applicable statutes and