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CMS Delays Hospital Reporting of Disclosure of Financial Relationships Report

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Stating that the agency does not want to duplicate reporting obligations created under the Patient Protection and Affordable Care Act of 2010 (PPACA) for physician-owned hospitals, CMS announced on its website that it is indefinitely delaying implementation the Disclosure of Financial Relationships Report (DFRR). The DFRR is a mandatory disclosure instrument created by CMS to comply with a congressional mandate included within the Deficit Reduction Act of 2005 (DRA). CMS planned to use the DFRR to collect information from hospitals regarding ownership and compensation relationships between the hospital and physicians for purposes of measuring compliance with the Stark Law. Recognizing that Section 6001 of PPACA includes disclosure requirements applicable to physician-owned hospitals for purposes of complying with the rural provider and whole-hospital ownership exceptions, CMS decided to delay implementation of the DFRR and instead focus on implementation of Section 6001. While the disclosure requirements to be created under Section 6001 are limited only to physician ownership and investment interests, CMS plans to revisit whether it is necessary to collect information regarding compensation relationships after the Section 6001 disclosures begin.