

Disclosure of Financial Relationships Report (DFRR)

CMS Postpones Hospital Reporting of Disclosure of Financial Relationships Report (DFRR)

Background:

The Deficit Reduction Act of 2005 (DRA) required the Secretary of HHS to submit a Report to the Congress including a strategic and implementing plan regarding physician ownership in hospitals. In the DRA Report, CMS stated that pursuant to 42 CFR § 411.361, hospitals would be required to provide information on a periodic basis concerning their ownership/investment interests and compensation relationships with physicians. CMS created the Disclosure of Financial Relationships Report (DFRR), a mandatory disclosure instrument, designed to collect information regarding financial relationships between hospitals and physicians to measure compliance with the physician self-referral statute and regulations. The DFRR is comprised of eight Excel Worksheets, which capture direct and indirect ownership and/or investment interests and compensation arrangements between hospitals and physicians. Most recently, CMS re-published a Paperwork Reduction Act (PRA) package on December 26, 2008, and proposed to send the DFRR to 400 hospitals.

Patient Protection and Affordable Care Act:

Section 6001 of the Patient Protection and Affordable Care Act (ACA), signed into law by the President on March 23, 2010, establishes additional requirements (in new section 1877(i) of the Social Security Act) for hospitals to qualify for the rural provider and hospital exceptions to the ownership or investment prohibition. Among other requirements, section 6001 of the ACA limits expansion to hospitals that have physician ownership or investment and mandates certain disclosure obligations for physician-owned hospitals and referring physicians that have an ownership or investment interest in a hospital. The Secretary is required to publish, and update on an annual basis, the information submitted by hospitals on CMS' website.

CMS Postpones the DFRR:

CMS has determined that mandating hospitals to complete the DFRR may duplicate

some of the reporting obligations related to physician ownership and investment set forth in section 6001 of the ACA. Therefore, CMS has decided to delay implementation of the DFRR, and instead focus on implementation of section 6001 of the ACA. We remain interested in analyzing physicians' compensation relationships with DHS entities, and after we collect and examine information related to ownership and investment interests pursuant to section 6001 of the ACA, we will determine if it is necessary to capture information related to compensation arrangements.

Downloads

[PRA Listing – CMS-10236](#)

Related Links Inside CMS

There are no Related Links Inside CMS

Related Links Outside CMS

There are no Related Links Outside CMS