

51466 Disclosure of Significant Beneficial Interest

(a)

A provider shall not bill or submit a claim for service involving the referral of a beneficiary to or from another provider unless each provider has disclosed any significant beneficial interest existing between the providers. Disclosure shall be accomplished by completing and submitting a Medi-Cal Personal Disclosure Statement of Significant Beneficial Interest form as provided by the Department.

(b)

A provider that fails to comply with (a) or that submits a false or incorrect disclosure shall be subject to suspension from participation or payment under the Medi-Cal program.

(c)

For the purpose of this section: (1) "Significant beneficial interest" means any financial interest held by a provider, or a member of the provider's immediate family, in another provider that is equal to or greater than the lesser of the following: (A) Five per cent of the whole. (B) \$25,000.00. (2) "Immediate family" means spouse, son, daughter, father, mother, father-in-law, mother-in-law, son-in-law or daughter-in-law.

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(d)

Interests held by a provider and members of that provider's immediate family shall be combined and valued as a single interest. (1) The extent of financial interest shall be determined as follows: (A) Full ownership shall be considered as 100 percent financial interest and control regardless of mortgages or other incumbrances. (B) Interest in a partnership shall be determined on the basis of the percentage of ownership specified in either a written or verbal partnership agreement. (C) Interest in a corporation shall be determined by computing the percentage of stock or bonds owned of the total outstanding shares or bonds of the corporation as of the last working day of the month preceding compliance with (a). (D) All other financial arrangements shall require establishment of a fair and reasonable dollar value for both the interest and the whole. The percentage interest shall be computed as the percentage the dollar value of the interest represents of the whole. (2) The dollar value of the following types of interests shall be determined as follows: (A) Bonds, over-the-counter stocks and stocks listed on the major stock exchanges shall be valued at the closing selling price on the last working day of the month preceding compliance with (a). (B) Stocks in a closely held corporation shall be valued at the original purchase price, par value,

or current market value, whichever is greater. (C) Partnership interests shall be valued at the total dollar amount invested in organizing the partnership. A fair and reasonable dollar equivalent shall be determined if investment is not in form of monies. (D) All other financial arrangements shall be valued at the actual dollar investment or a fair and reasonable dollar equivalent for investments not in the form of monies.

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Interest in a partnership shall be determined on the basis of the percentage of ownership specified in either a written or verbal partnership agreement.

(C)

Interest in a corporation shall be determined by computing the percentage of stock or bonds owned of the total outstanding shares or bonds of the corporation as of the last working day

of the month preceding compliance with (a).

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All other financial arrangements shall require establishment of a fair and reasonable dollar value for both the interest and the whole. The percentage interest shall be computed as the percentage the dollar value of the interest represents of the whole.

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