

Disclosure of Ownership Interest, Controlling Interest, and Corporate Membership Statement

Instructions

I. GENERAL INFORMATION

Completion and submission of this statement to provide full and accurate disclosure of direct and indirect ownership in the clinical facility is required by Section 575 of New York State Public Health Law. Failure to do so may result in the denial of a permit to a laboratory or blood bank.

Failure to provide notice within sixty days from the date of a change in ownership shall result in the voiding of a clinical laboratory's permit. All applications for changes in direct ownership will be considered new permit applications and are subject to New York State Department of Health (Department) approval.

Note: The completion of this statement does not eliminate the responsibility of the applicant to report all changes in ownership directly to the New York State Department of Health, Office of Medicaid Management, at One Commerce Plaza, Albany, NY 12260.

II. DEFINITIONS

Direct ownership means an individual or entity with an ownership interest or controlling interest in the applying facility.

Indirect ownership means an individual or entity with an ownership interest, controlling interest, or corporate membership, in an entity with direct or indirect ownership in the applying clinical facility. Indirect owners who hold a ten (10) percent or greater ownership interest, controlling interest, or corporate membership, are required to be disclosed by the applying clinical facility.

Example 1 (Business Corporation): ABC Lab is owned by ABC Lab, Inc. ABC Lab Inc. has two major stockholders, Mr. Smith and Mr. Hernandez. ABC Lab, Inc. is the direct owner. Mr. Smith and Mr. Hernandez are indirect owners.

Example 2 (Business Corporation): ABC Lab, Inc. dba ABC Lab is owned by ABC Lab, Inc. ABC Lab, Inc has two primary investors; Umbrella Corp, Inc. and Ms. Smirnov. ABC Lab, Inc., is the direct owner. Umbrella Corp, Inc. and Ms. Smirnov are indirect owners.

Example 3 (Partnership): Acme Lab is owned by Zhang Brothers, LLP. The partners of Zhang Brothers, LLP are Zhang Industries and Mr. Lee. Zhang Industries is owned by A. Zhang and B. Zhang. Zhang Brothers, LLP is the direct owner. Zhang Industries, Mr. Lee, A. Zhang, and B. Zhang are all indirect owners.

Example 4 (Not-for-Profit Corporation): Healthy Hospital Laboratory is owned by Healthy Hospital, Inc., a not-for-profit corporation. Healthy Hospital, Inc. has two corporate members, Biggie Health Systems, Inc. and Bigger Health Systems, Inc. Biggie Health Systems, Inc. and Bigger Health Systems, Inc. are considered indirect owners in Healthy Hospital Laboratory.

Example 5: (Professional Corporation): Neighborhood Physicians, PLLC operates a clinical laboratory. Neighborhood Physicians, PLLC is owned by Hospital Physicians, PC and Dr. Patel. Hospital Physicians, PC and Dr. Patel are indirect owners.

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Instructions

Ownership Interest means the possession of stock, equity in the capital, or any interest in revenue of an entity.

Controlling interest means the ability to direct or control the operation or management of an entity. Members on the Board of Directors or Board of Trustees for not-for-profit corporations are considered to have controlling interests. Any individual or entity with a ten (10) percent or greater controlling interest is required to be disclosed by the applying clinical facility. Licensed physicians who are included on the Board of Directors/Board of Trustees for a not-for-profit corporation are required to disclose their authority to order laboratory tests if they have greater than 10% controlling interest in the applying clinical facility.

Corporate membership means an individual or entity with a voting interest in a not-for-profit corporation that directly owns the applying facility. Corporate membership includes, but is not limited to, the right to vote in the election for directors of the clinical laboratory or on fundamental corporate transactions such as closing the business or amending the bylaws.

Management company means any organization that operates and manages a clinical laboratory on behalf of the owner, with the owner retaining ultimate legal responsibility for the operation of the business.

Clinical laboratory means a clinical laboratory or blood bank as defined by Public Health Law Section 571. Limited Service Laboratories are not included in this definition.

EIN means the federal Employer Identification Number or tax identification number (TIN) of an ownership entity other than a natural person.

III. COMPLETION OF THE FORM

All attachments must include the name of the applying clinical facility, the facility's Permanent Facility Identifier (PFI), if known, and the Part number to which the information relates.

Please identify whether the Disclosure of Ownership and Controlling Interest Form is part of an initial application or a change in ownership.

Part I – Laboratory Information

Please provide the laboratory information as requested. If the laboratory name and owner name are both changing, the PFI of the laboratory must be provided. Use the new laboratory name to complete the form.

Part II – Direct Ownership Information

Part II.A:

Please note that the name(s) in this section of the Disclosure form must match the name(s) of the owner indicated on the permit application.

Part II.B:

Please note that the type of ownership in this section of the Disclosure form must match the type of ownership indicated on the permit application.

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Disclosure of Ownership Interest, Controlling Interest, and Corporate Membership Statement

Instructions

Part II.C:

Follow the instructions on the form.

Part II.D:

All laboratories that share a common EIN are considered to be owned by the same entity and disclosure of the other clinical laboratories or blood banks (not limited service laboratories) owned by the direct owner is required. Note that to complete this section, the applying facility should consult their administration and/or legal department.

Under the New York State Tax Law, the laboratory is required to disclose the Tax ID or (Federal Employer Identification Number; a.k.a EIN) or the Social Security Number, as appropriate, of all owners. The authority of the New York State Department of Health, Wadsworth Center, Clinical Laboratory Evaluation Program to request this information, and the authority to maintain such information is found in Section 5 of the Tax Law. **Disclosure of this information is mandatory.** This information can be used by the Department of Taxation and Finance to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information can be used for tax administration purposes and for any other purposes authorized by the Tax Law.

Part III – Indirect Ownership Information

Part III.A:

Follow the instructions on the form.

Part III.B:

All laboratories that share a common EIN are considered to be owned by the same entity and disclosure of the other clinical laboratories or blood banks (not limited service laboratories) owned by the indirect owner is required. Note that to complete this section, the applying facility should consult their administration and/or legal department.

Part IV:

Please respond to the questions and provide attachments as directed.

Part V:

The owner representative named on this form will be considered the owner contact for the applying facility. This person must be authorized to respond to inquiries made by the Department.