

Common Ownership and Control

Commonly owned suppliers are those where one or more suppliers has an ownership interest totaling at least five percent in the other(s). The term “ownership interest” is defined as “the possession of equity in the capital, stock, or profits of another supplier.” Commonly controlled suppliers are those where one or more of a supplier’s owners is also an officer, director, or partner of another supplier.

Suppliers are prohibited from competing against themselves when submitting bids in the competitive bidding program. Therefore, suppliers that are commonly owned or commonly controlled must submit one bid for the same product category in the same competitive bidding area (CBA). If suppliers that are commonly owned or commonly controlled submit multiple bids for the same product category in the same CBA, the bids will be disqualified, and none of these suppliers will be awarded a contract for that product category in that CBA.

Suppliers sharing common ownership or common control with other suppliers must list on Form A of the online bidding system (DBidS) all commonly owned or controlled locations that would furnish any items from the same product category in the same CBA for which the suppliers are submitting a bid. This includes locations physically located outside the CBA as well as locations physically located within the CBA. If commonly owned or controlled suppliers are awarded a contract, all locations listed on Form A will be considered contract suppliers. Please note that commonly owned or controlled suppliers must designate **one** authorized official (AO) to register for a user ID and password. That AO should register **one** time with **one** Provider Transaction Access Number (PTAN) **unless** there are one or more locations that do not furnish items from the same product category.

Commonly owned or controlled locations that do not provide any of the items within a product category either to Medicare or non-Medicare customers do not have to be included on the bid for that product category. For example, if one location is a pharmacy that provides only enteral nutrition products and another location provides only durable medical equipment (DME) items, separate bids should be submitted for the pharmacy location and the DME location. If commonly owned or controlled suppliers have more than one location bidding in the same CBA and not all of the locations furnish items from the same product category, those suppliers will need to register a **different** PTAN number for **each** product category.

Commonly owned or controlled suppliers must submit the required financial documents for all suppliers that are part of the commonly owned or controlled relationship. The documents should be submitted in one package and must have the bidder number on each page of all documents. Please refer to the Request for Bids (RFB) for specific information about the required financial documents.

Below are detailed examples of the proper registration procedures for commonly owned or controlled suppliers that need to register with different PTANs to bid non-competing locations:

1. Jack, a supplier, has common ownership or control of three suppliers that are independently operated, and each offers a different competitive bidding product category as follows:

Enteral Nutrition – PTAN # 8888880001

Wheelchairs – PTAN # 3333330001

Oxygen – PTAN # 5555550001

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Jack plans to participate in the competitive bidding program with the other two suppliers, and he is listed on the CMS-855S as an AO for all three. Jack needs to begin by registering with one PTAN in the Individuals Authorized Access to the CMS Computer Services (IACS) system. Once he receives his user ID and password, he needs to go into the registration system (IACS) and register the other two PTANs by modifying his profile to associate to them. Once Jack has associated to the other two PTANs, he can approve others in his company to help him during the bidding process.

The chart below shows that Jack has registered in IACS and is associated to all three PTANs. Jill is also listed as an AO on the CMS-855S of the supplier that offers enteral nutrition; Pat is listed as an AO for the supplier that offers wheelchairs; and Kim is listed as an AO for the supplier that offers oxygen. Jill, Pat, and Kim all registered as backup authorized officials (BAOs) under the appropriate PTAN. Betty and George work at the location that offers enteral nutrition. Mike and Bill work at the location that offers wheelchairs. Roger and Tim work at the location that offers oxygen. They are not listed as AOs on the CMS-885S, but they registered as end users under the appropriate PTAN so they can input bid data for their location.

	Enteral	Wheelchairs	Oxygen
PTAN	8888880001	3333330001	5555550001
Authorized Official	Jack	Jack	Jack
Backup Authorized Official	Jill	Pat	Kim
End User	Betty	Mike	Roger
End User	George	Bill	Tim

2. If the suppliers in Example 1 have a different AO listed on the CMS-855S for each location, the AO from each location needs to register their PTAN. In the chart below, Jack is the AO for the supplier location that offers enteral nutrition; Pat is the AO for the supplier location that offers wheelchairs; and Kim is the AO for the supplier location that offers oxygen. Jack, Pat, and Kim registered in IACS as the AO for their respective PTAN. After they received their user IDs and password, their end users registered in IACS under the appropriate PTAN to help input bid data.

	Enteral	Wheelchairs	Oxygen
PTAN	8888880001	3333330001	5555550001
Authorized Official	Jack	Pat	Kim
End User	Betty	Mike	Roger
End User	George	Bill	Tim