

**Determination of Fair Market Value (FMV) of
Space Rented/Leased from a Physician
for a Physical Therapy Practice**

QUESTIONNAIRE

1. Does the physician that you are renting/leasing from have potential to refer patients to you? How about an immediate family member or any other person the physician has a financial relationship?
2. Ownership:
 - a. Who owns the space you are leasing: A Corporation? Sole proprietor? LLC?
 - b. If a corporation, do any of the physicians have ownership of the corporation? Do any other professionals with potential to refer physical therapy patients have ownership?
 - c. If yes to 2 b., what is the physician's ownership percentage?
 - d. Does the physician (or other professional with potential to refer) own it or will he/she be subleasing it to you? If subleasing, does he/she have permission from the landlord to sublease to you?
3. Will you have unrestricted access to the space you are leasing? If no, what are the restrictions (time of day, number of days per week/month, or any variable restrictions)
4. Will any lessor (physician you are leasing from) or any other persons not affiliated with you be using the space you are leasing either simultaneously or when you are not using it?
5. Space allocation:
 - a. What is the total square footage of the office?
 - b. What is the square footage of the space you will have unrestricted access according to your lease?
6. How often do you intend to use the space? On a full-time or part-time basis? If you will not be using the space full-time initially, how long will it be before you will build your caseload up enough to need it full-time? Will the space be adequate or *more than enough space* to provide your services?
7. Shared space:
 - a. Will you be using any common areas that are included in your lease payment?
 - b. What is the square footage of space you will be sharing with others?
 - c. If so, what is the ratio of use by you compared to the use of the common areas by others?

8. Are there any conditions of the lease that will result in payment fluctuations?
9. How are utilities paid? Are they included in the lease? If so, are they prorated to cover only your square footage or usage?
10. Liability insurance:
 - a. Will you be required to carry any insurance on the space that you are renting or subleasing?
 - b. If no, is insurance coverage included in your lease payment?
 - c. If yes and it is included in the lease payment, how was the amount determined?
11. Will you bill for your services under your own Medicare provider number or will you be using the physician's number (Incident-to)?
12. Billing arrangements:
 - a. Will you be doing your own billing?
 - b. If no, will the physician's office do it for you?
 - c. If a. and b. are both no, will you have the same billing company that the physician has?
 - d. If yes to b or c above, do you pay for these services based on hourly, weekly, monthly, or volume rate?
13. Will you be leasing any equipment or services from the physician (linen services, billing services, etc.)?
14. Will you receive any benefits (for example, continuing education, computer usage, marketing) from the landlord? If yes, is the cost of these benefits included in the lease amount or is there a separate monthly, annual, or pro-rata charge for these benefits?
15. Will you be purchasing any of your supplies through the physician?
16. Will you be promoting any services or items that the physician sells or receives any type of remuneration for?
17. Will you be leasing or contracting with any of the physician's employees, relatives, or any businesses that the physician or an immediate family member of the physician has a financial relationship with?
18. What will the term be? (It cannot be for less than 1 year) Will it be renewable? Will there be any contingencies on the renewal terms?
19. Will there be any automatic increases in the lease payment?
20. Have you negotiated any construction costs or lease incentives?
21. If the physician formerly owned a POPTS, did you pay any remuneration for the physician's PT practice?