

Dermatology Coding Alert

Reader Question: Avoid Attention From Medicare By Following Stark Law

Question: I overheard one of our physicians recently tell a nurse practitioners (NP) that someone at the practice might have violated the Stark Law. What is the Stark Law?

Tennessee Subscriber

Answer: This is a very big question. In basic terms, the Stark Laws are a set of three Medicare provisions that look to prevent physician self-referral, "or the practice of a physician referring a patient to a medical facility in which he has a financial interest, be it ownership, investment, or a structured compensation arrangement," according to starklaw.org.

According to CMS, the Stark Law specifically:

1. Prohibits a physician from referring his patients to designated health services (DHS) payable by Medicare to an entity with which the physician (or an immediate family member) has a financial relationship, unless there are exceptions.
2. Prohibits the practice from "presenting or causing to be presented claims to Medicare (or billing another individual, entity, or third party payer) for those referred services," CMS states.
3. Establishes very specific exceptions and "grants the Secretary the authority to create regulatory exceptions for financial relationships that do not pose a risk of program or patient abuse," according to CMS.

CMS lists the following items or services as DHS, and thus subject to the Stark Laws:

- Clinical laboratory services
- Physical therapy services
- Occupational therapy services
- Outpatient speech-language pathology services
- Radiology and certain other imaging services
- Radiation therapy services and supplies
- Durable medical equipment and supplies
- Parenteral and enteral nutrients, equipment, and supplies
- Prosthetics, orthotics, and prosthetic devices and supplies
- Home health services
- Outpatient prescription drugs
- Inpatient and outpatient hospital services.

Learn more: For a complete rundown on The Stark laws check out: http://starklaw.org/stark_guidelines.htm.