

Part B Insider (Multispecialty) Coding Alert

COMPLIANCE: Don't Raise Suspicions With Hospital Buyout

If your doctors want out, they can't profit from their clout

If your doctor wants to bail out of owning part of an ambulatory surgery center (ASC), he or she could be out of luck.

The **HHS Office of Inspector General** frowned on a group of physicians who wanted to unload their ASC ownership. Three orthopedic surgeons, two gastroenterologists and two anesthesiologists jointly owned an ASC. The orthopedic surgeons wanted to sell a 40-percent stake to the local hospital at fair market value.

Obstacle: The OIG said if the ASC was owned by both physicians and the hospital, it would count as a hospital-physician joint venture. Such ventures raise concerns because the physicians are in a position to refer patients to the hospital in return for its investment. The OIG had a few problems with the ASC sale deal:

- 1) The hospital would pay cash for its stake instead of investing in the ASC and helping it to expand. So the money would just go to helping the orthopedic surgeons realize a return on their investment.
- 2) Some (but not all) of the physicians would get more for their shares in the ASC than they originally paid. This raises concerns that the hospital is trying to reward those doctors for sending patients to it.
- 3) The physicians would reap a reward proportional to their ownership interest in the ASC, but because the orthopedic surgeons would get more per share than they spent, they would get a higher rate of return than the other doctors.