

Part B Insider (Multispecialty) Coding Alert

Compliance: Find Out What the Stark 'Physician Self-Referral Law' Actually Covers

Need an exception? They only apply in specific scenarios.

If anything in the healthcare industry keeps physicians on their toes, it's the Stark Law. This group of strict regulations that prohibit physician self-referrals has been through several thorough sets of updates, and even then, not all the loose ends have been tied up.

For those that need a refresher: For Medicare cases (and potentially other payers on the state level), Stark prohibits physicians from making a referral to a "designated health service" (DHS) in which the physician or a direct family member of the physician has a financial relationship -- unless the DHS falls under one of Stark's many exceptions. A DHS can be anything from rehabilitation therapy services to imaging services or DME.

When it comes to Stark, there's already a lot of information to take in. But to keep you up-to-date, we've broken down the most important information that the OIG offered in its Jan. 3 podcast, "Self-Referral Law," presented by the OIG's **James Cannatti, Esq.**

To gauge whether you could be violating the Stark law, you must ask yourself three basic questions, Cannatti said. First, determine whether a physician has made a referral for a DHS. For instance, has the physician requested a clinical lab service? If the answer is yes, move on to question two, he advises: Does the physician or his immediate family member have a financial relationship with the entity providing the DHS?

In our example above, suppose your physician orders a lab service from a laboratory owned by his brother. Even if his brother doesn't actually work in the lab itself, if he has an investment in that lab, the Stark law comes into play and leads you to the third question, Cannatti says: Does the financial relationship fit into a Stark law exception?

"There are exceptions for employment arrangements, space and equipment leases, personal services arrangements, and many others," Cannatti said during the podcast. "There are specific requirements for each exception, so you may wish to consult with your health care legal counsel about whether your arrangements meet all the requirements of an exception."

If you determine that your arrangement meets a Stark Law exception, then you are in the clear. If, however, you don't fit into an exception category, "then you've got yourself a Stark law problem," Cannatti adds.

If this is the case for your practice, call your health care attorney to explain your situation and determine next steps. Stark involves many complex details that cannot be succinctly applied to all situations, so your best bet is to discuss all questionable scenarios with a lawyer.