

Part B Insider (Multispecialty) Coding Alert

COMPLIANCE: Stark III Delayed for Some Centers

Nonprofit, academic health centers get a short reprieve

Certain academic medical centers and health systems just got a one year reprieve from the -stand in the shoes- provision of the Stark III physician self-referral rule.

According to the Nov. 15 Federal Register, CMS will delay this provision until Dec. 4, 2008, but only for certain compensation arrangements between qualifying academic medical centers or integrated tax-exempt health systems and physicians.

According to the -stand in the shoes- rule, any physician who is either an employee or an independent contractor of a -physician organization- will be deemed to have the same relationships that the -physician organization- has with any designated health services (DHS) providers to which the physician makes referrals, says **Nancy Forbes, Esq.**, a partner at **Ropes & Gray** in Boston.

-Certain integrated tax-exempt health systems and academic medical centers (AMCs) will get a delay for one year,- Forbes says. But not every AMC meets all of the requirements under Stark that allows them to be classified as an AMC for this purpose, she says.

-The same goes for integrated tax-exempt health systems, at least as CMS defines that term- Forbes notes. If any taxable entity or even an LLC exists anywhere within the health system--for example, a taxable pharmacy operated as part of the integrated health system--it won't qualify for the exception.

-Perhaps CMS did not intend the delay granted to apply so narrowly, in which case it might issue a clarifying rule or address this question in an FAQ,- Forbes says.

Visit <http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/07-5655.htm> to read more about the one-year delay.