Part B Insider (Multispecialty) Coding Alert

Look Twice at These 5 JV Warning Signs

You should take notice if your joint venture exhibits any of the following five elements, which the OIG views as particularly problematic:

1. You expanded into a line of business that depends on your own referrals to survive.

2. You don't operate the business yourself, nor do you commit "substantial financial, capital, or human resources to the venture."

3. The entity you've joined forces with is a would-be competitor. Warning: This has "kickbacks" written all over it.

4. You and the other entity both benefit financially from the venture. That is, your partner "takes its share in the form of payments under the various contracts with [you]," and you get extra money from the business you wouldn't receive otherwise, the April 23 OIG bulletin explains.

5. The amount of money you make from the venture depends on the "value or volume of business" you generate. There should be "no hint" that distribution of profits is tied to referrals or production volume, insists **Joan Dentler**, principal and CEO of **ProNet HealthCare Strategies** in Austin, Texas.

This list is making people squirm because it "reflects a lot of current arrangements," says attorney **Linda Baumann** with **Reed Smith** in Washington.