



Birmingham Medical News: Recent Changes to the Stark Law Provide Added Flexibility

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The 2016 Medicare Physician Fee Schedule Final Rule ("Final Rule") contains recent changes to the Federal Stark Law, the majority of which took effect on January 1, 2016. The issuance of the Final Rule on November 16, 2015 was the first time the industry has seen such broad changes to the physician self-referral law in several years. According to CMS, the changes are designed to "accommodate delivery and payment system reform, to reduce burden, and to facilitate compliance." While a summary of all the recent changes is beyond the scope of this article, I did want to highlight some of the more significant changes.

By way of background, the Stark Law prohibits a physician from referring Medicare or Medicaid patients for certain "designated health services" to entities with which the physician (or an immediate family member of the physician) has a financial relationship, unless an exception applies. Any relationship in which remuneration (i.e., something of value) flows between the parties is considered a financial relationship under the Stark Law. Designated health services ("DHS") covered by the Stark Law include the following: (1) clinical laboratory services; (2) physical therapy, occupational therapy, and outpatient speech language pathology services; (3) radiology and certain other imaging services; (4) radiation therapy services and supplies; (5) durable medical equipment and supplies; (6) parenteral and enteral nutrients, equipment and supplies; (7) prosthetics, orthotics and prosthetic devices and supplies; (8) home health services; (9) outpatient prescription drugs; and (10) inpatient and outpatient hospital

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services. The majority of the Final Rule changes address the exceptions to the Stark Law-in other words, the instances in which CMS has stated that a financial relationship is permitted between referring parties.

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