

To: Hospitals and Health Systems *and* Fraud and Abuse
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**CMS Reaches Several New Settlements under
Stark Self-Referral Disclosure Protocol in June**

By Jennifer Hutchens and Kelly Koeninger*

In June, the Centers for Medicare & Medicaid Services (CMS) announced it had reached six additional settlements under the Voluntary Self-Referral Disclosure Protocol (SRDP), bringing the total of announced settlements under the SRDP to 29.

On June 5, CMS announced a settlement which involved violations of the federal physician self-referral statute (commonly known as the Stark Law) by an acute care hospital located in Florida (Florida Acute Hospital). The Florida Acute Hospital disclosed under the SRDP that its arrangements with multiple physicians for emergency cardiology call coverage did not meet any of the applicable Stark Law exceptions. The Florida Acute Hospital's violations were settled for \$109,000.

The next day, on June 6, CMS announced a settlement with a general acute care hospital located in Florida (Florida General Acute Hospital). Here, the Florida General Acute Hospital disclosed that several different types of arrangements did not satisfy the requirements of any applicable Stark Law exception. Included in the disclosure were arrangements with: (1) a group practice to provide residency program services; (2) a physician to provide electronic health records subject matter expertise services; (3) a physician to provide medical director services; and (4) a physician to provide leadership services for a hospital committee. All disclosed violations were settled for \$76,000.

On June 12, CMS settled a violation of the Stark Law disclosed by an acute care hospital located in Alabama (Alabama Hospital). The Alabama Hospital disclosed that one of its arrangements with a physician group practice for the rental of office space did not qualify for an exception under the Stark Law. The Alabama Hospital's disclosures were settled for \$187,340.

On June 18, CMS announced two additional settlements under the SRDP. First, CMS reached a settlement agreement with a critical access hospital in Wisconsin (Wisconsin Hospital). The Wisconsin Hospital disclosed that an arrangement with one physician for the provision of emergency room call coverage service at the Wisconsin Hospital's walk-in clinics failed to meet the requirements of any Stark Law exception. The violation disclosed by the Wisconsin Hospital was settled for \$12,724. Additionally, CMS reached a settlement agreement with an acute care hospital located in Tennessee (Tennessee Hospital). The Tennessee Hospital disclosed that an

arrangement with one physician for the supervision of cardiac stress tests failed to satisfy the requirements of any applicable Stark Law exception. The Tennessee Hospital's violation was settled for \$72,270.

Finally, on June 20, CMS settled violations of the Stark Law disclosed by an acute care hospital located in Pennsylvania (Pennsylvania Hospital). The Pennsylvania Hospital disclosed under the SRDP that its arrangements for medical director services with certain physicians and a physician practice did not satisfy the requirements of any applicable exception under the Stark Law. All violations disclosed by the Pennsylvania Hospital were settled for \$24,740.

CMS provides a [list](#) of "select" self-disclosures resolved under the SRDP, including this settlement.

**We would like to thank Jennifer C. Hutchens, Esquire, and Kelly A. Koeninger, Esquire (Robinson Bradshaw and Hinson PA, Charlotte, NC), for authoring this email alert. We would also like to thank the Hospitals and Health Systems Practice Group leadership for sharing this alert with the Fraud and Abuse Practice Group.*

Member benefit educational opportunity:
Participate in [Part VI](#) of the 2013 healthcare fraud and abuse bootcamp webinar series: trends in government enforcement (July 17).

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