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**CMS Issues Eleventh Settlement Under Stark Self-Referral
Disclosure Protocol**

By John Garver, III, and Jennifer Hutchens*

On July 31, the Centers for Medicare & Medicaid Services (CMS) announced its eleventh settlement under the Voluntary Self-Referral Disclosure Protocol (SRDP). This settlement involved violations of the federal physician self-referral statute (commonly known as the Stark Law) by a Massachusetts hospital (Hospital). The Hospital disclosed under the SRDP that its arrangements with two physician practices for call coverage were not set out in writing and may have violated the Stark Law because those arrangements did not satisfy the requirements of the personal services exception under the Stark Law. The Hospital's violations were settled for \$208,000. CMS provides a [list](#) of "select" self-disclosures resolved under the SRDP, including this settlement.

This settlement is the second largest settlement under the SRDP reported to date. The largest settlement under the SRDP was actually the first settlement, which was with Saints Medical Center in Lowell, MA. On February 10, 2011, Saints Medical Center settled with CMS for \$579,000 after disclosing that it failed: (1) to satisfy the requirements of the personal services exception for arrangements with certain hospital department chiefs and the medical staff for leadership services; and (2) to satisfy the requirements of the personal services exception for arrangements with certain physician groups for on-site overnight coverage for patients at the hospital.

**We would like to thank John B. Garver, III, Esquire, and Jennifer C. Hutchens, Esquire (Robinson Bradshaw & Hinson PA, Charlotte, NC), for providing 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 the [webinar](#) on physician-owned distributors and device companies: to be or not to be? (September 18).

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