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Date: October 28, 2013

## **Four New Settlements under Stark Self-Referral Disclosure Protocol**

By John Garver III and Kelly Koeninger\*

The Centers for Medicare & Medicaid Services (CMS) reached three additional settlements in August 2013 and one additional settlement in September 2013 under the Voluntary Self-Referral Disclosure Protocol (SRDP).

The first new settlement involved violations of the federal physician self-referral statute (Stark Law) by a physician group practice located in Louisiana (Louisiana Practice). Under the SRDP, the Louisiana Practice disclosed that it violated the Stark Law because its arrangements with two physicians failed to satisfy the requirements of the in-office ancillary services exception under Stark. The Louisiana Practice's violations were settled for \$13,572.

Another SRDP settlement concerned a nonprofit community hospital located in Minnesota (Minnesota Hospital). Here, the Minnesota Hospital disclosed that an arrangement with a physician group practice for the rental of office space and the provision of support services did not satisfy the requirements of any applicable exception under the Stark Law. The Minnesota Hospital's violations were settled for \$9,570.

The third SRDP settlement from August 2013 involved two violations of the Stark Law by an acute psychiatric hospital located in California (California Hospital). The California Hospital disclosed that its arrangements with two physicians for the provision of psychiatric services did not satisfy the requirements of any applicable exception. All violations disclosed by the California Hospital were settled for \$67,750.

Finally, in September 2013, CMS reached a settlement with an acute care hospital located in North Carolina (North Carolina Hospital). The North Carolina Hospital disclosed that its arrangements with: (1) a physician to provide medical director services; (2) a physician group to provide medical coding and consulting services; and (3) a physician and a physician group practice for the lease of space did not meet the requirements of any applicable exception under the Stark Law. The North Carolina Hospital's violations were settled for \$87,110.

[Access](#) CMS' list of "select" self-disclosures resolved under the SRDP, including these settlements.

*\*We would like to thank John B. Garver, III, and Kelly A. Koeninger (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.*

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