

## PRACTICE GROUP

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From: Hospitals and Health Systems Practice Group Leadership

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## January 2012 SRDP Settlements

By Jennifer Hutchens and Keith Mauriello\*

In January 2012, the Centers for Medicare & Medicaid Services (CMS) announced two new settlements under the Voluntary Self-Referral Disclosure Protocol (SRDP). On January 5, 2012, a Georgia hospital settled its liability for \$4,500. The Georgia hospital had disclosed under the SRDP that it violated the federal physician self-referral statute (Stark Law) by exceeding the calendar year non-monetary compensation limit for two of its physicians. Additionally, on January 5, 2012, a California hospital settled its liability for \$6,700, also related to two violations of the calendar year non-monetary compensation limit for two of its physicians. CMS quarterly provides a list of select self-disclosures resolved under the SRDP, including these two settlements.

Since the SRDP program began in September 2010, two other settlements have been publicized. First, Saints Medical Center, in Lowell, MA, agreed to pay \$579,000 to resolve its Stark Law liability, well below its estimated exposure of approximately \$14 million. CMS also settled several Stark Law violations with a critical access hospital in Mississippi for \$130,000; the Mississippi hospital's estimated exposure has not been publicized.

According to the most recent reports, CMS had received 109 SRDP submissions as of September 2011. However, more current information should be available by no later than March 2012, which is the deadline for CMS to submit to Congress a detailed report on the SRDP program.

<sup>3</sup>See Saints Medical Center, <u>press release</u> (dated Feb. 10, 2011); Rebecca A. Matthews and Jody Erfarb, <u>Self-Reporting of Violations Has Benefits</u>, <u>Drawbacks</u>, Connecticut Law Tribune, May 16, 2011.

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Member benefit educational opportunity:

Participate in the <u>webinar</u>: are professional service agreements an attractive physician-hospital integration option? (March 6)

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