

Anthem Physician Compliance Alert

To: HealthSun Physicians

From: Ethics and Compliance

Subject: Stark Law Compliance

The Stark Law is a federal law often referred to as the Physician Self-Referral law and is related to (but has different requirements than) anti-kickback laws, which prohibit giving *anything of value* in exchange for referrals of individuals for items or services payable under a federal healthcare program. These laws help to protect patients from being referred for unnecessary procedures, which ultimately raises costs.



Designed to address Medicare and Medicaid fraud and abuse, Stark Law violations can bring serious penalties like denial of payment for services and personal fines. Physicians and entities may also be excluded from Medicare/Medicaid or other government healthcare programs.

In brief, physicians may not make referrals for certain *designated health services* to any entity with which they, or an immediate family member, has a financial relationship.

According to the Office of the Inspector General, studies showed that higher utilization of certain services occurred when physicians owned, or had a financial interest in, the entities providing the services. The Stark Law prohibits physicians from making referrals to such entities.

The Stark Law is complex and the definitions of following terms are all quite broad.

- Referral
- designated health service
- entity, and
- financial relationship

Contact Legal or Ethics and Compliance regarding any questions or concerns about Stark Law compliance.

Some examples of designated health services covered by the Stark Law include, among other things:

- Lab services
- Physical therapy
- Radiology
- Home health
- Durable medical equipment
- Inpatient and outpatient services