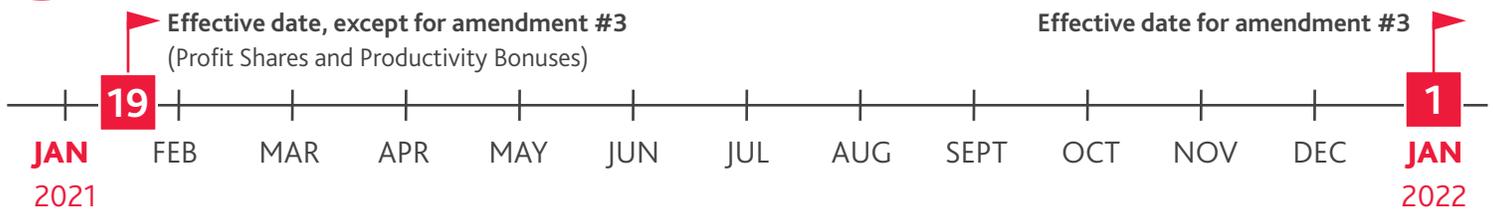


SUMMARY OVERVIEW OF CHANGES TO PHYSICIAN SELF-REFERRAL REGULATIONS

On December 2, 2020, the Centers for Medicare and Medicaid Services (CMS) and the Department of Health and Human Services Officer of Inspector General (OIG) published final rules regarding the long-awaited revisions to the Stark Law and Anti-Kickback Statutes previously addressed in the proposed rules contained in the October 17, 2019 Federal Register. The purpose of the final rules are to better enable providers and health systems to work together to provide higher quality healthcare to more of the population in need at a lower cost.



KEY DATES:



KEY OBJECTIVES:

- 1** More informed decisions by patients
- 2** Comprehensive provider alignment
- 3** Incentives for collaboration and coordination
- 4** Information sharing amongst all stakeholders



KEY PROVISIONS:

Easing the transition to value-based care and encouraging the coordination of care

- ▶ New exceptions for certain compensation arrangements under value-based arrangements such as the following:
 - Full financial risk
 - Significant downside financial risk to provider

Creating exceptions to the physician self-referral law which should include the following:

- ▶ Should be commercially reasonable
- ▶ Amount is fair market value
- ▶ Volume or value of referrals is not considered in determination of compensation

Adjusting the scope of the regulations

- ▶ Separating the physician self-referral law from other similar federal laws and regulations
- ▶ Facilitating the use of non-abusive business practices
- ▶ Sharing of information technology security



KEY BDO TAKEAWAYS:

- ✔ These revisions promote much more collaboration between stakeholders within the healthcare ecosystem (i.e., hospitals, physicians, private equity, etc.). Organizations should investigate the development of various innovative arrangements that promote better care and lower cost.
- ✔ While the revisions promote innovation, they also require a higher diligence in remaining compliant with the rules. More freedom in types of arrangements may lead to abusive business practices. Organizations must update their compliance programs to adapt to the changes in the law.
- ✔ With the encouragement of the sharing of cybersecurity, organizations should conduct an assessment of their own IT security to determine whether to take advantage of their partners' infrastructure.

For updates and to learn more about the regulatory changes, visit: [Two Rules Update](#).



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