

29TH ANNUAL
HEALTH LAW CONFERENCE



PHYSICIAN-OWNED ENTITIES



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Physician-Owned Entities *What We Will Cover*

- Current trends
- Recent cases
- New developments
- Outlook for the future

Current Trends

Physicians are adapting to cost and reimbursement pressures in creative ways:

- ***Series LLCs***
 - Revenues from physicians' referrals assigned to physicians' respective series
- ***Laboratory arrangements***
 - Investment in labs
 - Physician-owned lab might be paid as a distributor
 - Physician-owned lab sends specimens to hospital to bill under hospital's payor contract in exchange for % fee

Current Trends (continued)

- ***Physician-owned MSOs***
 - Created to “manage the patient” or to “manage referrals” and perform:
 - Scheduling
 - Pro-authorization
 - Billing
 - Subcontracting with experienced management company
- ***Factoring***

Current Trends (continued)

- ***Out-of-network arrangements***
- ***Waiver of copays, deductibles***

Recent Cases

- *Connecticut General Life Insurance Company et al v. Elite Center for Minimally Invasive Surgery LLC et al*, 4:16-C V-00571, U.S. District Court for the Southern District of Texas.
- *Connecticut General Life Insurance Company et al v. Humble Surgical Hospital LLC*, 4:13-CV-03291, U.S. District Court for the Southern District of Texas.
- *Aetna Life Insurance Company v. Humble Surgical Hospital, LLC*, 4:12-CV-01206, U.S. District Court for the Southern District of Texas (issued 12/31/2016).

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