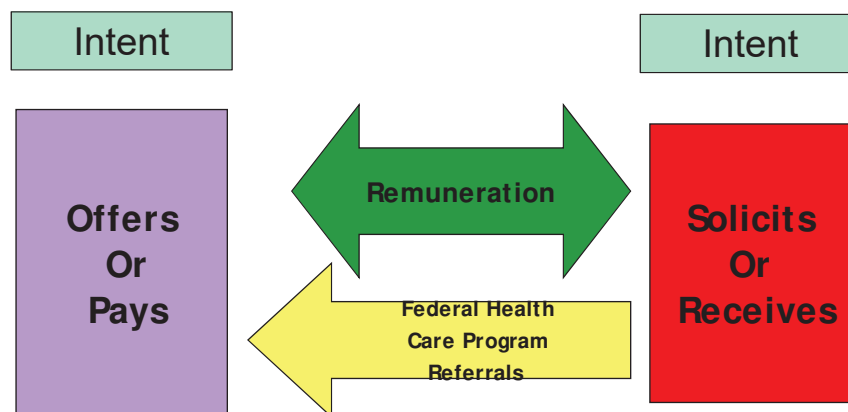


# Fraud and Abuse, Stark Law, and HIPAA Privacy

Presented by: Violet Anderson  
Regional General Counsel, CHRISTUS Health  
Wednesday, March 27, 2019



## Anti-Kickback Law



- Cannot intentionally offer, pay, solicit or receive remuneration for federal health care program referrals.
- Safe harbor transactions are protected.  
Penalties: \$25,000 fine and 5 years prison



## Payments and Offers of Payment

- Statute limits in healthcare what may be appropriate in other industries
- Statute concerns **payments or offers of payment (cash or in kind) for items or services reimbursed by Federal health care programs** (Medicare and Medicaid)
- Not limited to cash payment (areas of concern also include leasing, purchasing, and ordering)

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## Liability

- Liability is determined separately for each party
- Criminal penalties
- Civil monetary penalties
- Exclusions from Federal health care programs
- Because compliance with the AKS is a **CONDITION** for payment under Medicare and other health care programs, **LIABILITY MAY ARISE UNDER THE FALSE CLAIMS ACT** if an AKB violation results in payment under a Federal healthcare program

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## Party's Intent

- Liability turns on a party's INTENT, but it's possible to identify ARRANGEMENTS OR PRACTICES THAT PRESENT SIGNIFICANT POTENTIAL FOR ABUSE
- ASK TWO QUESTIONS
- 1. Does a remunerative relationship exist with an entity that can generate Federal healthcare business?
- (For example, a hospital or its affiliate and a physician, clinic, ambulance company, home health agency, or a nursing home)

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## Party's Intent

- 2. With respect to the remunerative relationship, could ONE PURPOSE be to induce or reward the referral or recommendation of business payable in part by a Federal health care program?
- IMPORTANT: NEITHER A LEGITIMATE BUSINESS PURPOSE NOR A FAIR MARKET VALUE PAYMENT WILL LEGITIMIZE THE PAYMENT IF THERE IS ALSO AN ILLEGAL PURPOSE

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31<sup>st</sup> Annual Health Law Conference session

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