



## **STUDY SUGGESTS NARROWING OF STARK IN-OFFICE ANCILLARY SERVICE EXCEPTION**

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According to a new study by the Center for Studying Health System Change, physician ownership and leasing of medical equipment in the United States is very common. The study found that in 2008, 25% of the 2,750 physicians in physician-owned practices reported that their practice owned or leased equipment for laboratory services, 23% for X-rays, 29% for non-invasive procedures, and 11% for invasive procedures.

The study suggests that policymakers take a closer look at the in-office ancillary services exception under the Stark law, suggesting that it may be too broad.

The Stark law generally prohibits a physician from referring a patient to a medical facility in which the physician has a financial interest. But the in-office ancillary services exception to the Stark law permits a physician to refer patients for procedures that are ancillary to the physician's professional services when certain requirements are satisfied. The Center concludes in its study that: "[g]iven the growing evidence that physician self-referral contributes to unnecessary and costly care, policymakers might reconsider the broadness of the in-office ancillary service exception." It suggests that policymakers should move away from fee-for-service payments toward payment mechanisms that reimburse physicians in ways that will dampen the financial incentives that now encourage self-referrals.

To see the full report, visit: <http://hschange.org/CONTENT/1172/>