



HEALTH CARE FRAUD LAWS

An Informational Bulletin brought to you by **Alliance Health**



Stark Law

42 U.S. Code § 1395nn

The Stark Law makes it illegal for physicians to make referrals for certain “designated health services” to providers with whom the physician or an immediate family member has a financial relationship. It also prohibits the providers who receive these “self-referrals” from billing Medicare or Medicaid for referred services – meaning that both the referring physician and the provider can face penalties under the Stark Law.

Put simply, this law is designed to prevent doctors from self-referring patients for their own financial gain (and at the expense of public funds).

“Improper financial relationships between healthcare providers and laboratories can lead to overutilization and increase the cost of healthcare services paid for by the taxpayers. The provision of medical services and prescriptions should be based on a patient’s medical needs rather than the financial interests of providers.”

-Acting Assistant Attorney General Brian M. Boynton

<https://www.justice.gov/usao-sc/pr/south-carolina-chiropractor-pleads-guilty-and-agrees-9-million-false-claims-act-consent>

What do those words mean?

Designated health services: Clinical laboratory services; physical therapy services; occupational therapy services; outpatient speech-language pathology services; radiology and certain other imaging services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients equipment and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services.