



Washington State Orthopaedic Association

Newsletter

August 2008

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WSOA Board Meeting Minutes

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WSOA-BFOA Legal Defense Fund

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Final IPPS Rule Contains Changes to Physician Self-Referral Law

The Centers for Medicare & Medicaid Services (CMS) released its final acute care inpatient prospective payment system (IPPS) rule, which includes revisions to the physician self-referral ("Stark") law. In the proposed IPPS rule, CMS put forth changes to the concept the agency dubbed "stand in the shoes," in light of concerns raised after CMS published the Stark II, Phase III final rule in September 2007.

As set forth in Phase III, the stand in the shoes provision states that, in analyzing financial relationships, a physician will be deemed to stand in the shoes of his or her group practice. CMS delayed application of this rule for certain academic medical centers and nonprofit health care systems because of fears it would eliminate the exception for support payments paid to such entities.

In the final IPPS rule, CMS revised the stand in the shoes provision as follows:

- It only applies to physician owners or investors in a physician organization;
- It will not apply to owners who do not receive the financial benefits of ownership or investment (labeled "titular owners" by CMS);
- Non-owner physicians are permitted to stand in the shoes of their physician organizations; and
- It will not apply to arrangements that satisfy the requirements of the exception for academic medical centers found at 42 C.F.R. § 411.355(e).

In addition to the stand in the shoes provisions, CMS addressed comments and finalized several Stark-related proposals originally set forth in the proposed 2008 Medicare physician fee schedule. In the final rule, CMS:

- Establishes the period of disallowance during which a physician cannot refer to an entity providing designated health services due to a Stark law violation;
- Provides a special exception when noncompliance with the Stark law is due solely to a missing signature;
- Prohibits the use of percentage-based compensation to determine rental charges for the lease of office space or

contribution will go towards a newly created WSOA Advocacy Fund to help with future advocacy and defense funds efforts. Send your check or credit card information to WSOA-BFOA Legal Defense Fund, c/o WSMA, 2033 Sixth Ave., Suite 1100, Seattle WA 98121. Or call the WSOA office at 206-956-3642 or [email](#) Executive Administrator Darla White.

Calendar of Events

November 15-16, 2008
WSOA Annual Meeting
 Bell Harbor Int'l Conference Center
 Seattle, WA
[Schedule of Events](#)
 Open Board of Directors Meeting,
 Sunday 8:00 am

Register today at www.wsoa.org or [click here](#) for a registration form. [View a meeting flyer](#).

For more information, call Darla White at 206-956-3642 or email ddw@wsma.org

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- equipment;
- Prohibits "per click" payments to physician lessors for services rendered to patients who were referred by the physician lessors;
 - Amends the definition of an entity to include a person or entity that performed a service, regardless of who billed Medicare for the service (this provision is aimed at "under arrangements" agreements);
 - Provides an alternative means for hospitals, federally qualified health centers and rural health clinics to provide obstetrical malpractice insurance subsidies; and
 - Clarifies that the exception for ownership or investment interests in retirement plans only relates to interests that arise through employment with an entity.

The final rule will be published in the Aug. 19 Federal Register. The provisions of the final rule are generally effective Oct. 1, 2008, but CMS has provided an additional year for changes relating to percentage-based or "per click" lease arrangements and the definition of an entity. Those provisions will take effect on Oct. 1, 2009.

[Read the CMS final rule.](#)

PA's Now Eligible for WSOA Affiliate Membership

The WSOA Board of Directors recently approved the membership of physician assistants in the WSOA. Please encourage your PAs staff members to join. [Click here](#) for a WSOA physician assistant membership application. Once completed, fax it to 206-441-5863, or mail with your check or credit card information to 2033 Sixth Ave. Suite 1100, Seattle, WA 98121.

WSOA Offices

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