



As the government emphasizes the need for value-based payment reform, it is paramount that barriers to success like the Physician Self-Referral (Stark) Law and Anti-Kickback Statute be updated to reflect the evolving healthcare environment. MGMA supports modernizing these rules to reflect changes instituted in MACRA to allow group practices to participate in innovative care delivery arrangements that facilitate efficient, high quality healthcare.

IMPACT ON MEDICAL GROUP PRACTICES

The Stark Law prohibits physicians from referring Medicare patients to receive designated health services to entities the physician has a financial relationship with, unless the relationship falls under an exception.

THE STARK LAW:

1 defined the term “group practice” for the first time in Medicare policy

2 prohibits group practices from providing certain ancillary services to their patients and regulates the “in-office” provision of many others

3 regulates how group practices may compensate their physician owners and employees

4 prohibits or heavily regulates the financial relationships that physicians in group practices have with outside entities physicians may refer patients to

OBSTACLES TO VALUE-BASED CARE

The outdated Stark Law makes it difficult for group practices to engage in alternative payment models (APMs) due to the law’s strict regulation of physician compensation, complexity, and many ambiguities.

Prohibitions discourage care coordination by encouraging physicians to work independently from other healthcare providers. APMs championed by policymakers require physicians to collaborate with each other across the continuum of care to achieve better patient outcomes, reduce costs, and eliminate duplication of services. In a value-based system, practitioners are rewarded for reducing costs and enhancing the quality of care.

ADVOCACY PRIORITIES

- ▶ **Preserve the in-office ancillary services exception** to the Stark Law, which enables group practices to provide coordinated care to their patients
- ▶ **Support the Medicare Care Coordination Improvement Act of 2019**, which would provide the same flexibility offered to accountable care organizations to independent group practices in value-based arrangements
- ▶ **Institute a broad and flexible statutory exception** for value-based payment arrangements
- ▶ **Remove barriers created by the Stark Law** to enable practices to meaningfully coordinate care and test innovative payment arrangements designed to facilitate high-quality, cost-effective care for their patient populations