



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

COMPLIANCE ALERT 10-24

Stark Change in the "In-Office Exception for Ancillary Services" for MRI, CT, or PET

HHSC facilities and physicians typically rely on the in-office exception under Stark to bill for ancillary services (lab work and imaging for example). This exception under Stark allows for billing of certain services that are furnished by the referring physician or another member of the group and are provided in the same building that the physician typically sees his regular patients. Under the new healthcare reform laws recently passed, *the exception used by most physicians for ancillary services provided "in office" has changed for three key ancillary services: MRI, CT, PET.*

To qualify for the revised exception, physicians with MRI, CT, or PET in their offices must notify the patients that they have other choices, can obtain the imaging at other locations, and be provided a list of those alternatives. Because "hospitals" are excluded from the definition of a "supplier," alternate lists provided by other free-standing imaging providers will not have to include any hospitals. The new exception, at this time, only affects these three

This law is in effect with the signing of the March 23, 2010 law. Enforcement probably won't happen until final CMS updates later this summer. However, HHSC facilities, where applicable, should begin changing their processes to comply with this new law.

Source: Patient Protection and Affordable Care Act (HR 3590)
Health Care and Education Reconciliation Act (HR 4872)