



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

*"Quality Healthcare for All"*

## ***COMPLIANCE ALERT 13-18***

### ***Physician Payment "Sunshine Act" Implementation Begins in August, 2013***

**EXECUTIVE SUMMARY:** The Centers for Medicare and Medicaid Services (CMS) will implement the "Physician Payment Sunshine" provisions of the Affordable Care Act. These provisions require Pharmaceutical and Medical Device companies to track and report all payments or "transfers of value" to physicians and teaching hospitals that exceed \$10.00. The program is also called the National Physician Payment Transparency Program (Open Payments).

**SUMMARY:** Beginning in August, 2013, any producer of "drugs, devices, biologicals, or medical supplies covered by Medicare, Medicaid or the Children's Health Insurance Program" will have to collect information on payments to physicians or teaching hospitals and report all payments or "transfers of value" to physicians and teaching hospitals that exceed \$10.00.

According to the CMS final rule, "the open payment or "sunshine act" requires:

- Applicable manufacturers of covered drugs, devices, biologicals, and medical supplies to report payments or other transfers of value they make to physicians and teaching hospitals to CMS.
- Applicable manufacturers and applicable group purchasing organizations (GPOs) to report to CMS certain ownership or investment interests held by physicians or their immediate family members.
- Applicable GPOs to report to CMS payments or other transfers of value made to physician owners or investors if they held ownership or an investment interest at any point during the reporting year." (CMS Fact Sheet (attached)).

CMS will collect the data annually, aggregate it, and publish it on a public website. These producers will need to report annually. After the data is compiled, physicians and teaching hospitals will be given 45 days to review this data for accuracy. It will subsequently be published on a public website in a searchable database.

**ACTION NEEDED:** Although the burden for reporting falls on manufacturers, all HHSC Physicians should be provided with this "Compliance Alert" along with the attached *Fact Sheet for Physicians* provided by CMS. In addition, HHSC compliance officers will be monitoring the information to ensure that no conflicts of interests are present.

**Fact Sheet:** <..\..\CMS\CMS Physician Sunshine Act-fact-sheet--2013.pdf>