



Policy or Procedure Subject: Non Monetary Compensation		LC.PY.013.r00
Department or Section: Office of Ethics and Compliance		Issue Date: 9.1.2021
Prepared By: W. Dalton, Quality Officer	Supervisor Approval: A. Macumber, Operations Director, Lab	Admin Approval: D. Henderson, VP Lab Operations

Policy:

Stark II (HCFA-1809-FC, January 4, 2001, section VII, C.) created an exception that protects non-cash gifts given to physicians that do not exceed an aggregate per year (which fluctuates year-to-year based with the CPI index), so long as the gifts: 1) are not determined in any manner that takes into account volume or value of referrals, or other business that is generated by referring physicians; 2) are not solicited by the physician or the physician's practice (including employees and staff members); and 3) do not violate the Federal anti-kickback statute. CMS regulations at 42 CFR 411.357(k), set forth the Stark II physician self-referral non-monetary compensation exception aggregate amount of \$429, for calendar year 2021.

Therefore, laboratories should implement a practice, supported by a written policy and procedure, to track non-monitory compensation given to physicians, to ensure compliance with the aggregate amount set by CMS each year.

This policy defines the practice of how our laboratory will audit, monitor and track non-cash gifts to ensure compliance with the Stark Lab.

Procedure:

- 1) When non-monetary gifts are reported to the Director of Sales, the Director will report these gifts to the Office of Ethics and Compliance.
- 2) The Office of Ethics and Compliance will track these gifts by date, client location, recipients, and total amount on a shared spreadsheet between the Office of Ethics and Compliance and the Director of Sales.
- 3) Each pay period, the Director of Sales will communicate by email to the Office of Ethics and Compliance any gifts for the previous pay period.
- 4) The gifts will then be recorded on the shared spreadsheet for tracking and reporting purposes.
- 5) Each year, the aggregate spend will be reported at the end of the year in the Compliance Annual Summary report.
- 6) IF at any time, the aggregate spend nears the provided annual limit, the Office of Ethics and Compliance will notify the Director of Sales for appropriate remedial action.
- 7) The goal of this policy is to provide a method to track and audit non-monetary gifts to ensure compliance with Stark regulations.

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Reviewed By	
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