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PHYSICIAN SEARCH

For Immediate Release

Current Stark and Federal Kick Back Laws are Impacting Physician Recruitment

Relocation

Hospitals are permitted to pay a physician to relocate to the hospital's geographic area. In order to meet the relocation requirement, the physician must:

- Relocate his/her practice a minimum of twenty-five (25) miles; or
- At least seventy-five percent (75%) of the physician's revenues must come from care provided to new patients.

Note, however, the Stark regulations afford special treatment to residents and new physicians (physicians who have been in practice less than one year). These physicians will be eligible for the physician recruitment exception regardless of whether they actually move their practices.

Geographic Area

Stark regulations define the geographic area served by the hospital as the area composed of the lowest number of contiguous zip codes from which the hospital draws at least 75% of its inpatients. The geographic area requirement dictates both the area from which the hospital may not recruit established physicians, and the area within which the recruited physician must relocate his/her practice.

Physician Recruitment Exception

Stark law prohibits a physician from making a referral to an entity for the furnishing of "designated health services" ("DHS") and the entity from submitting a claim for the service if there is a financial relationship between the physician and the DHS entity, unless an exception exists. Under Stark, a hospital is permitted to pay a physician to relocate to the hospital's geographic area in order for the physician to be a member of the hospital's medical staff.

Any arrangement must:

- Be signed by both parties,
- not be conditioned on the physician's referrals, and
- the physician must be allowed to establish privileges at other hospitals and refer business to others.

Conclusion

Healthcare providers must consult a reliable and informed physician search firm as well as an attorney versed in employment law.

ARTHUR | MARSHALL is the nation's premier provider of physician search and healthcare human capital solutions and strategies. The firm represents physician practice opportunities in most all specialties of medicine and has clients in most regions of the United States. The founding principals of ARTHUR | MARSHALL are pioneers in the field of physician recruitment and have amassed over 36 years of proven success.

Founded by Arthur B. Crawford and C. Marshall Pryor, ARTHUR | MARSHALL is located in Irving, Texas.