



## **Patient-Centered Medicare Payment Reform** *Modernize the “Stark Law” Restricting Coordinated Care*

### **REQUEST**

Urologists urge Congress to enact the *Medicare Care Coordination Improvement Act* of 2019 (S. 966/H.R. 2282), which would modernize the Medicare referral law or “Stark Law” to allow for value-based care that emphasizes care coordination by physician practices.

### **BACKGROUND**

When Congress enacted legislation in 2015 to replace a fundamentally flawed reimbursement framework with a program promoting value-based care delivery, it did so without undoing a statute that restricts integrated healthcare delivery. Commonly known as the “Stark law”, this 30-year-old provision prohibits payment arrangements that may have an effect on the volume or value of referrals generated between physicians in the same medical practice.

The Stark law was written at a time when most physicians employed fee-for-service payment systems, but today alternative payment models allow providers to deliver better-quality, lower-cost care. The law needs to be updated to clarify the ban on paying physicians for the volume or value of referrals, also known as “value-based care models”.

### **BILL PROVISIONS**

- Provides the Centers for Medicare & Medicaid Services (CMS) the same authority to waive the Stark and anti-kickback laws as was provided to Accountable Care Organizations in the *Affordable Care Act*
- Removes the “volume” prohibition in the Stark law so that practices can incentivize physicians to abide by best practices and succeed in the new value-based alternative payment models
- Creates strong civil penalties for knowing and willful violations of the law, which is the current standard for the Anti-Kickback Statute Violations of the Stark law with respect to physician ownership interests

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