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The Ounce of Prevention – Legal Audit for Your Medical Practice

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Industries

Health Care

Even though the Stark law has existed in its present form for the past two decades, there are many physicians who still fail to comply with it. Unfortunately, they only seem to discover they have a problem when the government shows up at the door with its hat in hand.

Now with state and federal regulators investing billions of dollars to enforce even the most marginal violations, physicians should heed Benjamin Franklin's famous axiom that "an ounce of prevention is worth a pound of cure."

Physician practices should engage in regular self-audits that cover a review of medical records as well as an examination of the myriad of financial and ownership arrangements the physician or the practice possesses. As for the arrangements, it would be prudent to have them reviewed by counsel who should also provide you a legal opinion in support of the arrangement if it's fine or advice on how to make it compliant if it's not.

An audit and a legal review of arrangements will help determine if there are any areas of exposure that may subject the practice to enforcement actions by regulatory agencies. If any area is found by an agency to be out of compliance, at best, the practice may face monetary fines and penalties. At worst, an individual may be subject to criminal prosecution.

During my twenty years of practice in this field, I've assisted clients with arrangements that had run afoul of Stark. If the problem can be corrected quickly, that was a good thing; however, it's far safer and cheaper for



arrangements to be lawful from the get-go. Yet, if that ship has already sailed, don't wait. Get a handle on the situation by having a healthcare attorney work with you to review your arrangements.

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