



NOTES AND COMMENTS

A "Whole" New World: Hospital–Physician Alignment After the Affordable Care Act

Joseph E. Nelson and Jonathan D. Nowlin

What is the issue? The Affordable Care Act (ACA) amended the whole hospital exception to the Stark Law, and in doing so, eliminated the availability of the exception to new hospitals seeking physician ownership. As a result, individuals and entities are pursuing alternative arrangements to align hospitals and physicians in a post-ACA world.

What is at stake? If these alternative arrangements are found to be in violation of applicable rules and regulations, including the Stark Law and Anti-Kickback Statute, criminal and/or civil monetary penalties may apply, including exclusion from participating in federal health care programs.

What should attorneys do? Attorneys should advise clients who are interested in pursuing these alternative arrangements of the associated risks and assist them in structuring the arrangements so that they are afforded the greatest amount of protection from applicable rules and regulations, including the Stark Law and Anti-Kickback Statute.

CITATION: Joseph E. Nelson and Jonathan D. Nowlin, *A "Whole" New World: Hospital– Physician Alignment After the Affordable Care Act*, J. HEALTH & LIFE SCI. L., Oct. 2015, at 32, © 2015 American Health Lawyers Association, www.healthlawyers.org/JHLSL. All rights reserved.

Author biographies appear on the next page.

Journal of Health & Life Sciences Law-Vol. 9, No. 1

Joseph E. Nelson is a Shareholder at Gray Reed & McGraw PC. His practice focuses on regulatory and transactional matters in the health care industry. Contact him via email at jnelson@grayreed.com.

Jonathan D. Nowlin is an Associate at Gray Reed & McGraw PC. His practice focuses on corporate transactions and compliance issues in the health care industry. Contact him via email at jnowlin@grayreed.com.

Nelson and Nowlin: Whole Hospital Exception

CONTENTS

Introduction	35
Whole Hospital Exception to the Stark Law	36
ACA's Amendment to the Whole Hospital Exception	37
Arrangements in Light of the ACA's Amendment to the Whole	
Hospital Exception	37
The Stark Law	
The federal Anti-Kickback Statute	39
Lease Arrangements	41
Service Arrangement	
OIG Guidance on suspect contractual joint ventures	
Conclusion	61