



<b>Title:</b> Anti-Kickback and Stark Law Compliance Policy	
<b>Review date(s):</b> April 10, 2025; 11.14.2025	<b>Approved by:</b> Jennifer Cathy, President and CEO; Mary LaDuca, COO and Compliance Officer
<b>Revised date(s):</b> 11.14.2025	<b>Policy Owner:</b> Jennifer Cathy, President and CEO
<b>Approved Date:</b> November 14, 2025	<b>Original Effective Date:</b> April 16, 2025

### **Purpose**

To ensure full compliance with both the federal Anti-Kickback Statute and the federal Stark Law, which prohibit improper financial relationships and referral practices related to services reimbursed by federal healthcare programs.

### **Policy Statement**

Delphi Rise strictly prohibits any form of kickbacks, bribes, or improper financial relationships that could influence the referral of patients or the purchase of services reimbursable by Medicaid, Medicare, or other federally funded healthcare programs. The organization also prohibits self-referrals by physicians that violate the Stark Law.

### **Scope**

This policy applies to all affected individuals of Delphi Rise. Affected individuals include employees, the chief executive, senior administrators, managers, contractors, agents, subcontractors, independent contractors, volunteers, interns, members of the governing body, and corporate officers whose roles relate to, or may impact, Delphi Rise's operations or compliance risk areas.

### **Legal Background**

#### **The Anti-Kickback Statute (AKS) - 42 U.S.C. § 1320a–7b(b)**

The Anti-Kickback Statute is a federal criminal law that prohibits:

- Offering, paying, soliciting, or receiving any remuneration (money, gifts, services, etc.)
- To induce or reward referrals or generate business
- Involving items or services reimbursable by a federal healthcare program

Violation can lead to:

- Civil and criminal penalties
- Fines
- Program exclusion
- Imprisonment

#### **Stark Law (Physician Self-Referral Law) - 42 U.S.C. § 1395nn**

The Stark Law is a civil statute that prohibits:

- Physicians from referring Medicare or Medicaid patients to entities with which they (or an immediate family member) have a financial relationship for Designated Health Services (DHS)—unless an exception applies



Designated Health Services include, but are not limited to:

- Clinical laboratory services
- Physical therapy
- Radiology
- Durable medical equipment
- Home health services
- Outpatient prescription drugs

Violation of Stark Law may result in:

- Denial of payment
- Civil monetary penalties
- Exclusion from federal healthcare programs

#### **Examples of Prohibited Conduct**

- Accepting or offering cash or gifts in exchange for patient referrals
- Waiving patient copays or deductibles as a marketing tool
- Paying physicians or staff "bonuses" based on the volume of federally reimbursed referrals
- Referring patients to a lab, pharmacy, or facility in exchange for payment or favors
- Contracting with vendors based on their referral potential rather than service quality or cost

Stark law Exceptions:

- A physician referring patients to a physical therapy clinic they own (without meeting an exception)
- Entering into a lease agreement with a physician without a written, fair-market-value contract
- Paying a physician for medical directorship services that are not clearly documented and legitimate

#### **Exceptions (Safe Harbors & Stark Law Exceptions)**

Anti-Kickback Safe Harbors: Certain arrangements are not considered violations if they meet "Safe Harbor" provisions, including:

- Compensation at fair market value for actual services rendered
- Properly documented discounts
- Personal service agreements that meet regulatory standards

Stark law Exceptions

Permitted relationships under Stark Law include:

- Bona fide employment relationships
- Fair-market-value leases for space or equipment
- Personal service arrangements that are commercially reasonable and in writing

All exceptions under either law must:

- Be reviewed by the Compliance Officer
- Be clearly documented and monitored for compliance



### **Reporting and Enforcement**

- Be reviewed by the Compliance Officer
- Be clearly documented and monitored for compliance
- Verified violations may result in disciplinary action, up to termination, and required disclosure to federal or state authorities.

### **Training**

- Annual compliance training will be provided on both the Anti-Kickback Statute and Stark Law.
- New employees will receive training during onboarding.
- Training will include:
  - Legal definitions
  - Common risk scenarios
  - How to identify and avoid prohibited arrangements

### **Policy Review**

This policy will be reviewed annually and revised as needed to reflect updates in federal and state laws, regulations, and guidance.