Final Self-Referral Rule Reverts to Earlier Policy

BY ALICIA AULT

Associate Editor, Practice Trends

n issuing the third phase of the final regulations implementing the physician self-referral rule, also known as the Stark law, the Center for Medicare and Medicaid Services has returned to a stance it held in the first phase.

The Stark law governs whether, how, and when it is acceptable for physicians to refer patients to hospitals, laboratories, imaging facilities, or other entities in which they may have an ownership interest.

Under the new rule, known as Stark III, published in the Federal Register Sept. 5, physicians will be considered to be "standing in the shoes" of the group practice when their investment arrangements are evaluated for compliance, according to several attorneys.

This reversion back to the initial Stark policy is among the most important changes in the 516-page document, said Daniel H. Melvin, a partner in the health law department of McDermott, Will & Emery's Chicago office. As a result, "the application of exceptions will be different going forward," Mr. Melvin said in an interview.

That means that most physicians who have referral arrangements will have "a lot of contracts that will have to be looked at and possibly revised," said Amy E. Nordeng, a counsel in the government affairs office of the Medical Group Management Association. Ms. Nordeng agreed that the return to the "stand in the shoes" view was the most significant component of Stark III.

Under Stark II—an interim policy that began in 2004—physicians were considered to be individuals, outside of their practices. Exceptions to the law were evaluated using an indirect compensation analysis, which ended up being onerous and was the subject of many complaints to CMS. In comments on Stark II, physician groups, hospitals, and other facilities (called designated health services, or DHS entities under the Stark law) urged CMS to revert to the old policy. CMS itself came to see the indirect compensation analysis as a loophole that allowed potentially questionable investment arrangements to slip through, said Mr. Melvin.

In the Stark III rule, CMS wrote that the change in policy means that, "many com-

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pensation arrangements that were analyzed under Phase II as indirect compensation arrangements are now analyzed as direct compensation arrangements that must comply with an applicable exception for direct compensation arrangements."

There were several other notable changes in Stark III. The regulations clarify that physicians who administer pharmaceuticals under Medicare Part B (such as chemotherapy or infusions) or who prescribe physical therapy, occupational therapy, and speech-language pathology, are entitled to get direct productivity credit for those orders, said Mr. Melvin.

The clarification applies to those two ancillary services only, not to radiology or laboratories, or other services typically offered in-house, he said.

CMS also lifted the prohibition on noncompete agreements. Under Stark II, practices could not impose noncompete agreements on physician recruits. Now, practices can bar competition for up to 2 years, but it's not clear how far, geographically, that noncompete can extend, said Mr. Melvin.

With the new rule, practices have to "go back and look at everything," including how their physicians are being compensated and the arrangements the practice may have for equipment and leasing or services with hospitals or other DHS entities,

The final Stark rule goes into effect

SEASONIQUE™

(levonorgestrel / ethinyl estradiol tablets) 0.15 mg / 0.03 mg and (ethinyl estradiol tablets) 0.01 mg
Brief Summary. See full package brochure for complete information.
Patients should be counseled that this product does not protect against HIV-infection (AIDS) and other sexually transmitted diseases.
CONTRAINDICATIONS: Oral contraceptives should not be used in women who currently have the following conditions: • Thrombophlebitis or thromboembolic disorders • Cerebrovascular or coronary artery disease (current or history) • Valvular heart disease with thrombogenic complications • Uncontrolled hypertension • Diabetes with vascular involvement • Headaches with focal neurological symptoms • Major surgery with prolonged immobilization • Known or suspected carcinoma of the breast or personal history of breast cancer • Carcinoma of the endometrium or other known or suspected estrogen dependent neoplasia • Undiagnosed abnormal genital bleeding • Cholestatic jaundice of pregnancy or jaundice with prior pill use • Hepatic adenomas or carcinomas, or active liver disease • Known or suspecte pregnancy • Hypersensitivity to any component of this product

APABMISS

Cignete amoking increases the risk of serious cardiovascular size deflects from oral contraceptive use. This risk increases with age and with heavy amoking (15 or more cigneteses per viry) and is quite marked in women over 55 years of age. Women who use oral contraceptives should be strongly a whiched not be marked.

The use of not contraceptives is associated with increased risk of several serious conditions including venous and arterial thrombotic and thromboembotic neutris (such as myocardial infanction, fromboembotic) and strongly beginning to the per vision of the pe

be nesseary if such women do not have access to effective and acceptane means or contraception. Interestine, the contraceptive use by healthy nonsmoking women over 40 may outweight the possible risks. Of course, other women, as all women who take or all contraceptives, should take the lowest possible dose formulation that is effective.

3. Carcinoma of the Reproductive Organs and Breastrs. Although the risk of having breast cancer diagnosed may be slightly increased among current and recent users of combined oral contraceptives (RFI-124), this excess risk decreases over time after combination oral contraceptive discontinuation and by 10 years after cessation the increased risk disappears. The risk does not increase with duration of use and no consistent relationships have been found with dose or type of stend. The patterns of risk are also similar regardless of a woman's reproductive history or her family breast cancer instoy. The subgroup for whom risk has been found to be significantly elevated is women who first used oral contraceptives before age 20, but because breast cancer is so are at these young ages, the number of cases attributable to this early oral contraceptive use is extremely small. Breast cancers should not use oral contraceptives because breast cancer is a normone sensitive turnor. Some studies suggest that oral contraceptives are been sexociated with an increase in the risk of cervical intraceptivellan epolsas or invasive cervical cancer; in some populations of women. However, there confluents of contraceptive use is extended the attributable risk to be in the range of 33 cases of the relationship between oral contraceptive use and breast cancer and cervical cancers, a cause-and-effect relationship has not been associated with an increase in long-term (54 years) oral contraceptive users that the attributable risk to be in the range of 33 cases (100,000 for users, a risk that increases after four or most ord towers) about the elevation shave estimated the attributable risk to be in the range o

Contraceptives should not be used as a test for pregnancy. O'a contraceptives to induce withdrawal bleeding should not be used as a test for pregnancy. O'a contraceptives should not be used during pregnancy to treat threatened or habitual abortion.

7. Gallbladder Disease: Earlier studies have reported an increased lifetime relative risk of gallbladder surgery in users of oral contraceptives and estrogens More recent studies, however, have shown that the relative risk of developing gallbladder disease among oral contraceptive users may be minimal. The recent

Reference: 1. Data on file. Duramed Pharmaceuticals Inc, Pomona, NY.

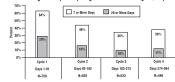
findings of minimal risk may be related to the use of oral contraceptive formulations containing lower hormonal doses of estrogens and progestogens.

8. Carholydrate and Lipid Metabolic Effects: Oral contraceptives have been shown to cause glucose intolerance in a significant percentage of users. Oral contraceptives not containing greater than 75 micrograms of estrogens cause beginned in contraceptives or containing regretar than 75 micrograms of estrogens cause lyepinsmillismin, will lower doses of estrogen cause less glucose intolerance. Progestogens increase insulin secretion and create insulin resistance, this effect varying with different progestational agents. However, in the nonclabelic woman, oral contraceptives appear to have no effect on fasting blood glucose. Because of these demonstrated effects, prediabetic and diabetic women should be carefully observed while taking oral contraceptives. A small proportion of women will have persistent hypertrigh-peridemia while on the pill. As discussed earlier (see WARNINGS 1a. and 1d.), changes in serum triglycenides and lipoprotein levels have been reported in oral contraceptive users.

9. Elevated Blood Pressure: Women with significant hypertension should not be started on hormonal contraceptive users.

9. Elevated Blood Pressure: Women with significant hypertension should be molitored closely, and if significant elevation of section and the pill. As discussed earlier section in history of hypertension or hypertension-related diseases; no creal diseases should be encouraged to use another method of contraception. If women with hypertension elect to use oral contraceptives in the story of hypertension or hypertensi

Figure: Percentage of Women Taking Seasonique™ Reporting Intermenstrual Bleeding and/or Spotting.



As in any case of bleeding irregularities, nonhormonal causes should always be considered and adequate diagnostic measures taken to rule out malignancy or pregnancy. In the event of amenorrhea, pregnancy should be ruled out. Some women may encounter post-pill amenorrhea or oligomenorrhea (possibly with anovulation), especially when such a condition was preexistent.

FIGUALITIONS
1. Sexually Transmitted Diseases: Patients should be counseled that this product does not protect against HIV infection (AIDS) and other sexually transmitted diseases.

PRECAUTIONS

1. Sexually Transmitted Diseases: Patients should be counseled that this product does not protect against HIV infection (AIDS) and other sexually transmitted diseases.

2. Physical Examination and Follow-up: A periodic history and physical examination are appropriate for all women, including women using oral contraceptives. The physical examination, however, may be deferred until after initiation of oral contraceptives if requested by the woman and judged appropriate by the clinician. The physical examination should include special reference to blood pressure, breasts, abdomen and perk organs, including cervical cytology, and reduntation of the physical examination should include special reference to blood pressure, breasts, abdomen and perk organs, including cervical cytology, and reduntation of the physical examination of the physical examination of the physical examination are appropriate disposely in the examination of the physical examination of the physical examination are appropriated by the power in a support of the physical examination are appropriated by the product of the physical examination are appropriated by the power of the physical examination are appropriated by the periodic measures should be conducted to rule out malignancy. Women with a strong family history of breast cancer or who have breast nodules should be monitored with particular care.

3. Lipid Disorders: Women with a strong preparations, there have been case reports of significant elevations of plasma triplycarides leading to pancreatitis.

4. Liver Fundion If Junicial evelopings in any woman receiving such drugs, the medication should be discontinued. Steroid hormones may be poorly metabolized in patients with impaired liver function.

5. Fluid Retention: Characteristic manufactures are applicated by fluid retention.

6. Emidional Disorders: Women with a history of depression should be carefully observed and the drug discontinued if depression recurs to a serious degree. Existents becoming significantly depressed wiff

centrations of acetaminophen and increased clearance of ternazepam, salloylic acid, morphine and clofibric acid, due to induction of conjugation have been noted when these drugs were administed with combination and contraceptives.

9. Interactions with Laboratory Tests. See Package Insert for complete Information.

10. Carcinopenesis: See WARNINGS. 11. Pregnancy: Pregnancy Category X. See CONTRANDICATIONS and WARNINGS. 12. Nursing Mothers: Small amounts of oral contraceptive sizes and reverse affects on the child have been reported, including jaundice and breast enlargement. In addition, oral contraceptives given in the postpartum period may interfere with lactation by decreasing the quantity and quality of breast milk. If possible, the nursing mother should be advised not to use oral contraceptives but to use other forms contraceptive may be adverse effects on the child have been reported, including jaundice and breast enlargement. In addition, oral contraceptives given in the postpartum period may interfere with lactation by decreasing the quantity and quality of breast milk. If possible, the nursing mother should be advised not to use oral contraceptives but to use other forms a contraceptive with the post of accountage the state of the schedule of contraceptives with the past of the post past of the contraceptive with the past of the and users 16 and other. Use of Seasonique* balsets been as to disclaim of the oral contraceptive see WaRNI-MINGS. * Thromben philosis* and increased risk of the following serious adverse reactions have not heave eached menopause.

INFORMATION FOR THE PATIENT: See Package Brochure or complete information.

ADVERSE REACTIONS: An increased risk of the following serious adverse reactions have been reported in patients receiving or all contraceptives. See serious the patients of the patients of

OVERDOSAGE: Serious ill effects have not been reported following acute ingestion of large doses of oral contraceptives by young children. Overdosage may cause nausea, and withdrawal bleeding may occur in females.

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