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Stark Regulatory Changes Require Modifying Certain Group Practice Compensation Methodologies by January 1, 2022

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There are now less than three months until changes to the federal physician self-referral law ("Stark Law" or "Stark") group practice definition special compensation rule go into effect on January 1, 2022. As we wrote about here, these changes include revisions to the rule related to overall profits to prohibit pooling and distributing profits from designated health services ("DHS") on a service-by-service basis, which is sometimes referred to as "split pooling." As of that date, profits from *all* the DHS of the practice, or a component of the practice that consists of at least five physicians (a "5+ physician pod"), must be aggregated before distribution. Group practices that use split pooling need to modify their compensation methodologies to account for this change by January 1. *Because of the time and effort involved in modifying physician compensation methodologies, now is the time for physician practices to evaluate whether any modifications to their compensation methodologies are needed in order to comply with this change.*

For a detailed summary of the Stark regulatory changes and their implications, please see the article we wrote earlier this year available here.

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