

THE FIVE-STEP PROTOCOL TO PREPARE FOR THE PHYSICIAN PAYMENT SUNSHINE ACT

The final rule is in place, and data collection begins in August. Here's what you need to know.

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The Patient Protection and Affordable Health Care Act signed into law in March 2010 includes the Physician Payment Sunshine Act ("PPSA"). This requires pharmaceutical, medical device, biological, and medical supply manufacturers to report to the Department of Health and Human Services any "payment or other transfer of value" to physicians and teaching hospitals. On August 1, 2013, manufacturers must begin to collect data, which must be reported by March 13, 2014. With these dates fast approaching, it is important for physicians and hospitals to be ready to deal with the Sunshine Act.

First, medical professionals and institutions should register with the Centers for Medicare and Medicaid Services (CMS) website at CMS.gov. When any "applicable manu-

facturer," such as a medical device or pharmaceutical company, makes a payment or transfer, it is required to notify CMS through this website. If you are the designated recipient and you are registered at CMS.gov, you will receive an email notification accordingly.

It is important to know what payments or transfers have been recorded against your name so that you may ensure their accuracy. If you've registered with CMS, you will be notified about a 45-day period to review any data submitted, and you have the opportunity to dispute reported data and request corrections.

Second, think back on what payments you have received in the past that would be reported under the Sunshine Act. The categories of transfers and payments are quite broad. They include the following: consulting fees, compensation for services other than consulting, honoraria, gift, entertainment, food and beverage, travel and lodging, education, research, charitable contribution, royalty or license, ownership or investment interest, direct compensation for service as faculty or speaker at a medical education program, grant, and space rental or facility fees.

Third, consider how reporting in the future about transfers and payments you may have received could impact your business and particularly the opinions of

DO THIS NOW

Register at CMS.gov to receive email notification when any "applicable manufacturer" reports payment to you as the designated recipient.

BOTTOM LINE

Once registered with CMS, you will be notified about a 45-day period to review any data submitted and have the opportunity to dispute reported data and request corrections.

patients and customers. It is important that you are open and prompt in your communications with “applicable manufacturers” from whom you anticipate receiving payments. Unless you clearly express your expectations, you, your business, your hospital, etc. may receive an unpleasant surprise at reporting time.

Fourth, keep track of what payments or transfers you receive that must be reported. The Act requires all payments over \$10 to be reported, but also, if total annual payments exceed \$100, then even details of payments less than \$10 will be relayed to CMS.

Fifth, consider preparing explanations for these payments to communicate to patients who inquire about them. Remember: the intent of the Act is not to prevent transfers or payments, but simply to ensure that their existence is transparent to all.

After all, as Judge Louis Brandeis once said, “Sunshine is... the best of disinfectants.” ■

SUNSHINE BY THE NUMBERS

10+ Dollar value at which all payments must be reported.

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100+ Dollar value of cumulative reporting cap. Once annual payments total \$100, all payments—even those under \$10—must be reported.

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8.1.13 Date on which data collection begins.

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3.13.14 Date on which reporting begins.