

	SECTION: Compliance	NO: CMP 020
	TITLE: Contracting with Physicians and Referral Sources	DISTRIBUTION: Corporate and all Facilities
Original Date of Issue: 03/01/2018		Date of Approval: 4.19.2025
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Scope:

All Team Members of Summit Behavioral Healthcare, LLC (Summit BHC), including facilities and their employees, independent contractors and professional staff, Summit Board of Managers (Summit BHC Board), and other individuals authorized to act on behalf of Summit BHC.

Purpose:

To establish protocols for Summit BHC to enter into a financial arrangement or amend a financial arrangement with a Potential Referral Source that complies with applicable statutory and regulatory requirements. Financial arrangements include, but are not limited to, physician recruiting agreements, loans, guarantees of physician loans, management services agreements, professional service agreements, employment agreements, physician expense reimbursement agreements, other agreements for the provision of services or supplies (whether medically related or not), asset purchase and disposition agreements, and medical office building leases.

Definitions:

Potential Referral Source: A Potential Referral Source is any person or entity that may refer, request or order items or services at Summit BHC’s facilities which may be billed to federal payors, including but not limited to, Medicare, Medicaid and TriCare. Potential Referral Sources may include: (i) a Physician; (ii) an Immediate Family Member of a Physician; (iii) an advanced practice health care provider, including without limitation, a nurse practitioner or physician assistant; (iv) any entity that is owned directly or indirectly, whether in whole or in part, by a Potential Referral Source, including without limitation, a medical practice or laboratory; and (v) any entity which may request, refer or order items or services, including without limitation, a hospital, ambulance provider or skilled nursing facility.

Physician: A Physician shall mean a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor.

Immediate Family Member: An Immediate Family Member means husband or wife; natural or adoptive parent, child or sibling; stepparent, stepchild or stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild.

Policy:

All arrangements with Potential Referral Sources shall comply with the applicable statutory and regulatory requirements, including without limitation, 42 U.S.C. § 1395nn (the “Stark Law”), 42 U.S.C. § 1320a-7b (the “Anti-Kickback Statute”) and 18 U.S.C. § 220 (the “Eliminating Kickbacks in Recovery Act (EKRA)”) and similar state laws.

Any remuneration (*i.e.*, any payment or benefit, in cash or in kind) Summit BHC offers to healthcare referral sources must be consistent with fair market value and solely based on services or goods to Summit BHC. No consideration may be given to the value or volume of referrals any such healthcare provider or supplier has made to Summit BHC.

Procedure:

- 1.0 Requirements for Agreements with Referral Sources. An agreement with a referral source must comply with the following requirements:
 - a. Prior to commencement of services or any payment, the proposed arrangement must be submitted to Summit BHC in accordance with its contracting process and will be prepared on an approved form, reviewed, and approved by the Summit BHC Legal Department before services are performed or payment is made.
 - b. The agreement must be in writing, describe the services covered, timeframe for the arrangement, and be signed by all parties, including Summit BHC Chief Legal Officer.
 - c. The agreement must specify the payment, which must be set in advance, and consistent with the fair market value for services or items actually provided. The fair market value must not take into account the value or volume of referrals or other business generated by the referral sources.
 - d. The agreement must be for a legitimate business purpose. In other words, the agreement must be anticipated to acquire or provide services or items that are reasonable and essential to the furtherance of a legitimate business purpose.
- 2.0 Side Arrangements or Amendments. Informal documents, such as "letters of intent," "letter agreements" or "memorandums of understanding" are subject to this Policy. Summit BHC or its facilities may not enter into side arrangements (written or oral) with a Potential Referral Source, regardless of the form, or lack of form, the arrangements take. This Policy applies to all amendments, extensions or renewals of agreements with Potential Referral Sources. Summit BHC will not approve an agreement if there is any indication, whether through discussion or written communications, that the agreement is being made to reward or obtain referrals.

- 3.0 Review of Agreements with Referral Sources. All agreements and amendments to any agreements must be reviewed and approved by Summit BHC's Legal Department before given to the potential referral source and/or before payment is made. Summit BHC will audit and monitor arrangements with referral sources throughout the relationship.
- 4.0 Execution Timing. Both parties must sign the agreement before any services are provided and before payment is made. Any services provided before both parties sign the agreement cannot be compensated by Summit BHC, unless approved in advance by Operations Counsel.
- 5.0 Copies Submitted to Summit BHC's Compliance Department. After execution of the agreement, a copy of the agreement must be sent within 3 business days to corporatecompliance@summitbhc.com. In addition, the facility shall store and maintain a copy within its local computer files or onsite paper storage location.
- 6.0 Payment and Compliance with Contract Terms. Payments to Potential Referral Sources must be consistent with the agreement's terms, and the performance of all terms of the agreements is required. Summit BHC shall maintain records of all payments to physicians and other referral sources. Any deviations from the agreement's terms shall be reported to Summit BHC's Legal Department.
- 7.0 Violations of the Policy subject to disciplinary actions. Any violations of this policy may subject a Summit BHC team member to disciplinary actions up to and including termination.