



## Bluestone Policy: PROVIDER ARRANGEMENTS

### PURPOSE

The goal of this Policy is to ensure that all arrangements between Bluestone Physician Services (BPS) and a Provider comply with all applicable Laws and with BPS's legal obligations including Anti-Kickback Statute and the Stark Law. In connection with this Policy, BPS operates a Provider arrangements compliance program that periodically reviews various Provider arrangements to ensure compliance with this Policy.

### SCOPE

This Policy applies to any arrangement, including binding letters of intent, letters and memorandums of understanding and agreements between Bluestone Physician Services (BPS) and a Provider and will be followed in establishing new Provider arrangements; restructuring or otherwise continuing existing Provider relationships through contract renewals, extensions, or amendments; and terminating existing Provider arrangements. This Policy applies to arrangements in which BPS will make payments to or receive payments from a Provider or where no payments are made between the parties.

This policy applies to all \*covered persons of Bluestone Physician Services, P.A., Bluestone National, LLC, and Bluestone Physician Services Wisconsin, and its subsidiaries and affiliates, (collectively, Bluestone Physician Services (BPS)).

\*Covered persons means: (a) all owners who are natural persons, officers, board members, and employees of Provider; (b ) all contractors who furnish patient care items or services or perform billing or coding functions on behalf of Provider; and (c) all physicians and other non-physician practitioners who are members of Provider's active medical staff.

### POLICY

BPS may not enter into any arrangement with a Provider unless such arrangement complies with this Policy or an exception is granted by the CEO after input from and consultation with the



## Bluestone Policy: PROVIDER ARRANGEMENTS

Legal Department and the Compliance Officer. Operating Unit Senior Accountable Executive of such Operating Department, or his or her designee, will prepare an annual report to the Executive Compliance Committee of any categories of Provider arrangements that have been approved during the previous year as exceptions to the Policy.

### DEFINITIONS

#### **Arrangements:**

A. An arrangement means every arrangement or transaction that involves, directly or indirectly, the offer, payment, solicitation or receipt of anything of value and is between Provider and (i) any actual or potential source of health care business or referrals to Provider; or (ii) any actual or potential recipient of health care business or referrals from Provider; and

B. Every financial relationship (as defined in 42 CFR 411.354(a)) that is between Provider and a physician (or a physician's immediate family member (as defined at 42 CFR 411.351)) who makes a referral (as defined at 42 U.S.C. 1395nn(h)(5)) to Provider for designated health services (as defined at 42 U.S.C. 1395nn(h)(6)).

a. "Source of health care business or referrals" means any individual or entity that refers, recommends, arranges for, orders, leases, or purchases any good, facility, item, or service for which payment may be made in whole or in part by a Federal health care program.

b. "Recipient of health care business or referrals" means any individual or entity (a) to whom Provider refers an individual for the furnishing or arranging for the furnishing of any item or service, or (b) from whom Provider purchases, leases or orders or arranges for or recommends the purchasing, leasing, or ordering of any good, facility, item, or service, for which payment may be made in whole or in part by a Federal health care program.

**Family Member:** Any spouse, brothers or sisters (by whole or half blood); spouses of brothers or sisters (by whole or half blood); ancestors; children; grandchildren; great-grandchildren; and spouses of children, grandchildren, and great-grandchildren.

**Laws.** All applicable federal, state, and local laws, rules, and regulations, including but not



## Bluestone Policy: PROVIDER ARRANGEMENTS

limited to the Stark Law (42 U.S.C. § 1395nn), the federal healthcare program anti-kickback law (42 U.S.C. § 1320a-7b(b)), and the federal and state laws relating to nonprofit corporations and tax-exemption.

**Legal Department:** BPS hired counsel as defined by the CEO and/or Compliance Officer.

**Physician:** Doctor of medicine or osteopathy, doctor of dental surgery or dental medicine, podiatrist, optometrist, or chiropractor.

**Senior Accountable Executive:** An individual with ultimate management accountability for an Operating Department.

**Strategic transactions** help businesses grow and increase value by defining their future direction. They can include a variety of arrangements, such as:

- **Alliances:** Companies can share resources like people, marketing, sales, and products and services. There are three main types of strategic alliances:
  - **Joint venture:** Two companies create a new, separate company.
  - **Equity strategic alliance:** One company invests equity in another.
  - **Non-equity strategic alliance:** Two companies benefit from each other without exchanging equity.
- **Mergers:** Two companies with complementary offerings combine.
- **Direct equity investments:** Companies can invest in each other, from minority interests to full acquisitions

### I. General Requirements Applicable To All Provider Arrangements Subject To This Policy

A. **General Principles.** It is the responsibility of the Operating Departments to ensure that all arrangements with Providers comply with the following requirements:



## Bluestone Policy: PROVIDER ARRANGEMENTS

1. There is a written agreement signed by the parties that specifies the services or items covered by the agreement unless specifically exempted by this Policy.
2. The services or items do not exceed those that are reasonable and necessary for the arrangement's commercially reasonable business purposes, and the agreement is commercially reasonable even if no referrals were made between the parties.
3. The payment terms (including any incentive compensation terms) are set in advance, reflect the documented FMV of the services or items contracted for, and are for services or items actually provided without taking into account the value or volume of referrals or other business generated by the Provider.
4. No payments or inducements are provided, directly or indirectly, overtly or covertly, in cash or in kind:
  - (a) In return for referring, or to induce the Provider to refer, an individual to a person for the furnishing, or arranging for the furnishing, of any item or service; or
  - (b) For the purchase, lease, or order, or arranging for the purchase, lease, or order, of any good, facility, service, or item for which payment may be made in whole or in part under a federal healthcare program.
5. The payments are consistent with the terms of the agreement, and the Provider substantially performs all of the material terms of the agreement.
6. The agreement includes services or items that do not involve counseling or promoting a business arrangement or other activity that violates any Laws.
7. The agreement (unless terminable without cause at any time on 30 days or less notice) includes language providing that should the agreement become noncompliant, the affected language will be deleted, and the parties will negotiate in good faith language that is compliant with all Laws.
8. The agreement is appropriately monitored to ensure (a) the Provider satisfies contractual obligations and (b) that payments made to the Provider are consistent with the agreement's terms; and



## Bluestone Policy: PROVIDER ARRANGEMENTS

9. All Provider Arrangements comply with applicable laws and regulations, including the federal and state Anti-Kickback laws and the federal Stark law and state self-referral laws.

**B. Fair Market Value (FMV).** The compensation paid to or received from the Provider under an arrangement must be consistent with FMV. Operating Departments must maintain accurate and complete FMV documentation of all arrangements with Providers unless stated otherwise in this Policy.

### 1. FMV of Arrangements Other than Leases or Asset Acquisitions or Divestitures.

1.1 BPS may not enter into a Personal Services Arrangement unless BPS has objectively determined and documented that the Compensation being offered to the Physician for the Services is consistent with Fair Market Value.

1.2 Compensation received by BPS from a Provider for items or services provided by BPS to or on behalf of the Provider will be deemed to be FMV if it is made pursuant to a fee schedule developed by BPS based on an assessment of the relevant market.

2. FMV of Space or Equipment Lease Arrangements (including Use and Occupancy Agreements). For leases of space, the CEO, in conjunction with the Senior Accountable Executive of such Operating Department, and as needed the Legal Department, must review the proposed rental amount before execution of an agreement with a Provider. FMV of lease arrangements may be established by an independent third-party appraisal or other valuation benchmarks generally accepted in the healthcare industry using recognized appraisal or valuation methodologies, reasonable economic and market assumptions, and appropriate comparability benchmarks. A third-party appraisal or valuation must be documented in a written report explaining and describing those key elements.

3. FMV of Asset Acquisitions/Divestitures. An independent, third-party written valuation of the group practice assets to be transferred must be obtained before a transaction price has been established unless (a) no intangible assets are to be acquired; (b) BPS has sufficient resources to perform an appropriate appraisal of the tangible assets; and (c) the Legal Department has approved the valuation plan in writing without a third party



## Bluestone Policy: PROVIDER ARRANGEMENTS

appraisal. A third-party valuation must establish FMV of the assets as of closing using recognized valuation methodologies, reasonable economic and market assumptions, and appropriate comparability benchmarks, and it must be documented in a written valuation report that explains and describes those key elements.

4. FMV Review. Any amendment to a Provider arrangement that changes the compensation paid under the arrangement must be accompanied by an FMV analysis.

5. FMV Documentation. The Operating Department must enter supporting documentation of FMV into the contract documentation.

### C. Approval Authority and Signature Requirements.

1. Senior Management and CEO Approval and Signature Requirements. Provider Arrangements must be approved and signed in accordance with the levels of approval and signature authority and retained per the retention policy and as outlined by any Corporate Integrity Agreement.

Provider Agreement Type	Responsible for Retention of Arrangement	Approval Required
Strategic Transactions including Business Asset Acquisitions or Divestitures	Finance and the Department Executive responsible for arrangement.	CEO
Employment Arrangements	Human Resources	CEO
Personal Professional Arrangements	The Department Executive responsible for arrangement.	CEO, CFO & CHRO
Provider Space, Use, Occupancy and	Finance	CFO



## Bluestone Policy: PROVIDER ARRANGEMENTS

Equipment Lease Arrangements		
Provider Malpractice Insurance Subsidies	Recruitment for students.	NA

**D. Excluded Individual/Entity.** BPS will follow established procedures found in the BPS policy [DRAFT: Screening Current Bluestone Related Individuals](#) to confirm that the Provider is not an individual or entity that is excluded from participation in a government healthcare payment program. The Screening Current and Prospective Bluestone Related Individuals/Entities (Exclusion Screening) is available from the BPS Compliance Department.

**E. Business Associate Agreement.** A Business Associate Agreement must be signed if a Provider is a Business Associate within the definition of the Health Insurance Portability and Accountability Act and its implementing regulations. Business Associate Agreements are maintained by the IT Department.

**F. Document Retention.** Accurate and complete records of all arrangements with Providers, including receivables collection activity and documentation of FMV, must be maintained by the Operating Department, see C.1.

**G. Provider Payment.** Unless authorized by the CEO in writing, the BPS Accounts Payable Department will not issue payment to a Provider until a fully-executed agreement is entered into.

**H. Affirmative Notice Requirement.** The Compliance Department must be contacted immediately in the event an BPS employee or representative becomes aware of an arrangement with a Provider that does not comply with this Policy.

**I. Policy Review.** The Executive Compliance Committee will review this Policy annually or more frequently as determined by the Board, and will develop and implement, in consultation with the Legal Department and the Compliance Department, such changes to the Policy as it considers necessary and appropriate to address the results of self-evaluations and assessments, developments in applicable Laws and industry compliance practices, and other information obtained by or made available to the Compliance Committee of the Board. The Board retains



## Bluestone Policy: PROVIDER ARRANGEMENTS

the ultimate authority to amend or delegate its amendment authority to the Executive Compliance Committee.

L. **Audit.** BPS Compliance Department may periodically audit Provider arrangements to assess compliance with this Policy.

### II. Special Additional Requirements Applicable to Certain Provider Arrangements

#### A. **Strategic Transactions**

Strategic Transactions must be presented by the CEO to the Board for review and approval before execution of the agreement or commencement of the arrangement.

#### B. **Employment Arrangements**

1. Total Compensation. The total compensation paid to an employed Provider must be FMV and, except for services personally performed by the Provider, must not be determined in a manner that takes into account the volume or value of the Provider's referrals to BPS. The total compensation paid to an employed Provider may include a signing bonus as long as the total compensation paid to the employed Provider is consistent with FMV.

2. FMV Documentation. The Operating Department is not required to obtain an individual FMV opinion for an employed Provider if the employed Provider is compensated under a BPS physician compensation plan approved by the BPS CEO/CFO/CHRO.

3. Excluded Provider. BPS will follow established procedures found in the BPS Screening Current and Prospective Bluestone Related Individuals/Entities (Exclusion Screening) to confirm that the Provider is not an individual or entity that is excluded from participation in a government healthcare payment program.

#### C. **Provider Personal and Professional Services Arrangements**

All arrangements (**other than employment arrangements**) between BPS and a Provider pursuant to which the Provider provides clinical or non-clinical services (including, without





## Bluestone Policy: PROVIDER ARRANGEMENTS

limitation, administrative, expert, educational, or other consultative services) to BPS must comply with the requirements that apply to all Provider arrangements set forth in Section I and the requirements listed below.

1. Services. BPS must only contract for services actually needed by BPS for its legitimate business purposes. BPS must not contract for services that are not required for the operation of BPS, or that regularly accompany the Provider services being rendered by the Provider. The agreement must specify with particularity the services to be rendered, which may be an addendum prepared by BPS personnel.

2. Commencement of Services. The Operating Department must ensure there is a fully-executed agreement governing the arrangement before the Provider begins providing the services.

3. Referrals. There must be no written or oral understanding that patient referrals are a part of the arrangement.

4. Documentation of Services. A non-employed Provider contracting with BPS to provide leadership, medical director, or other administrative services must provide BPS with a written statement of the services he or she has provided prior to receiving payment for those services. The written statement must include the following: date worked, time spent, and a detailed description of the work performed.

5. Compensation.

5.1 In no case will payment amounts increase or decrease depending on referral volume or other business generated between the parties.

5.2 Contract terms governing any incentive compensation must be approved in writing by the CEO and Legal Department. Incentive compensation goals and measurement objectives must be reviewed and approved in writing by the Legal Department prior to implementation.



## Bluestone Policy: PROVIDER ARRANGEMENTS

### **D. Provider Referral Services**

All organized referral services made available to non-employed Providers must (1) comply with the requirements that apply to all Provider arrangements set forth in Section I; (2) comply with other requirements of applicable Laws; and (3) be approved in writing in advance by the Legal Department.

### **E. Provider Malpractice Insurance Subsidies**

BPS may pay for or subsidize the cost of malpractice insurance for non-employed Providers only upon approval of the arrangement in writing by the Legal Department.

### **F. Arrangements with Providers Not Subject To This Policy**

Notwithstanding anything to the contrary in this Policy, this Policy is not applicable to the following categories of arrangements with Providers. An Operating Department must consult with the Compliance or Legal Department if it is not clear whether an arrangement fits into a category listed below. It is the policy of BPS that all such arrangements listed below comply with all Laws. An Operating Department must consult the Legal Department if it has any question about whether an arrangement listed below complies with all Laws.

1. Confidentiality Agreements, Business Associate Agreements, External Access Agreements, and System Access Agreements, all as may be amended, revised or renamed, provided such agreements do not involve the exchange of anything of value.
2. Arrangements that meet a Stark Law exception that does not require a written agreement provided all requirements of the exception must be met, all as determined by the Legal Department.
3. Agreements with Providers for the assignment of HITECH Act EHR incentives for meaningful use.

**ENFORCEMENT** All staff whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply



## Bluestone Policy: PROVIDER ARRANGEMENTS

with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination.

### Approval History

Date (MM/YYYY)	Stakeholders	Name/Title
8924	Exec. Compliance Committee	8/9/24 ECC meeting

### Revision History

Date (MM/YYYY)	Revisions	Name/Title	
7/30/2024	Genco redlined incorporated	Nanc MacLeslie/Compliance Team	Draft
8/5/24	Updated w/Stakeholders: David Nelson, CFO & Brian Holsten, VP HR	Nanc MacLeslie/Compliance Team	Draft

***This Policy supersedes all prior policies of the same or similar subject except to the extent it is inconsistent with the express terms of a collective bargaining or individual agreement.***

1

---

<sup>1</sup> Prepared at the direction, request, and in furtherance of the purposes of a review organization and any and all information and documentation prepared in furtherance of this policy is confidential and should not be shared outside of Bluestone Physician Services or its Affiliates. Protected under Wis. Stat. 146.38 and Minn. Stat. 145.61et seq. and FL Stat 766.101. The information contained herein is provided for informational purposes only and does not constitute legal, medical, or professional advice. Further, these policies and procedures are subject to change without prior notice, and Bluestone makes no representation to reliance on users of outdated information. Users should check back here for updates regularly.