

Physician-owned distributors and the Stark law

ISSUE: Physician-owned distributors (PODs) are entities that derive revenue from selling, or arranging for the sale of, devices ordered by their physician-owners for use in procedures the physician-owners perform on their own patients at hospitals or ambulatory surgical centers. Some are concerned that PODs create a conflict of interest for physicians, which could lead to increased utilization and higher device costs for hospitals.

KEY POINTS: At the October meeting, we will describe PODs, review the legal landscape in which PODs operate, and present options to limit the use of PODs.

ACTION: Commissioners should review and comment on the material.