



Renal Physicians Association v. United States Dep't of HHS, 489 F.3d 1267 (D.C. Cir. 2007)

Topics Covered: Stark Laws

Outcome: Very Unfavorable

Issue

The issue in this case was whether a federal regulation purporting to define the fair market value of physicians' medical services is valid under the Stark Law.

AMA Interest

The AMA supports fair payment to physicians for their services.

Case Summary

The Renal Physicians Association (RPA) sued the Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS) in the United States District Court for the District of Columbia. The suit challenged a regulation, 42 C.F.R. § 411.351, issued under the Stark Law, 42 U.S.C. § 1395nn. The regulation set forth a safe harbor method for calculating the fair market value of physicians' medical services. RPA contended that the regulation violated the plain language of the statute and was "arbitrary and capricious." Also, according to RPA, the regulation had been promulgated without proper notice and comment.

The trial court dismissed the lawsuit, finding that RPA lacked standing because the injury RPA claimed to have suffered would not be "redressed" by judicial invalidation of the safe harbor methodology. RPA appealed.

The Court of Appeals affirmed.

Litigation Center Involvement

The Litigation Center, joined by the Infectious Diseases Society of America, the American College of Physicians, the American Society of Anesthesiologists, and the American Association of Clinical Endocrinologists, filed an amicus brief in the trial court and the Court of Appeals to support RPA. The briefs argued that the safe harbor regulation violated the legislative intent behind the Stark Law, in that it did not give proper regard to the market forces that determine physician compensation.

United States Court of Appeals for the District of Columbia Circuit brief