

## **New Anti-Markup Rule Effective 1/1/09 impacts large physician groups**

The new rule imposes onerous new requirements for multi-location physician groups that have most of their diagnostic testing in only one of their locations. For the applicable diagnostic tests, the interpretation must be done by a physician who provides at least 75% of his/her professional services in the group (Alternative 1) or the interpretation must be performed in the same building where the ordering physician provides substantially the full range of his/her patient care services (Alternative 2). If the group fails to satisfy either alternative 1 or alternative 2, then the anti-markup rule applies and it appears that the group cannot bill for more than its direct cost of paying the interpreting physician, with no allocation of overhead, office rent, or other direct or indirect costs that are incurred in providing the service, even if the interpreting physician is an employee of the group rather than an outside supplier.

This will be a major change for some large groups, either in configuration of how services are provided or in the amounts they can bill for those services. The result of this rule is that in a single multi-location group, services ordered by a physician whose office is in the same building where the interpretation is done can be billed without application of the anti-markup rule, while an identical interpretation performed in the same location but ordered by a physician group member whose office is down the street must be billed subject to the anti-markup limitation.