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## Practice Management Advice

### *What is Health Law?*

**By: Bruce D. Armon, partner in the healthcare group of the law firm of Saul Ewing, LLP.**[Biography](#)

Essentially, health law is business and regulatory law for healthcare providers, including dermatologists, third-party payers, and other interested parties who work within or contract with entities involved in the healthcare delivery system. Health law may involve contract issues, corporate law issues, administrative law issues, criminal law issues, and/or tort (re: professional negligence) issues.

There are six broad areas of healthcare law: regulatory, credentialing, reimbursement, fraud and abuse, antitrust, and tort law. I will briefly discuss each of these areas below.

As a dermatologist, having a basic understanding of each of these areas of healthcare law is critical to ensuring your success. This is true whether you are a resident, fellow, or employee in a private practice, work in an academic setting, are an owner/shareholder of a medical practice, and/or have relationships with industry. Your "success" as a dermatologist will be measured in part by your business and legal acumen.

Understanding what is and is not a permissible activity, and knowing where to turn for further guidance will make you more valuable to your peers and employers alike.

Your first interaction with many of these legal issues will likely take place when you negotiate and execute your first employment agreement. Subsequent legal issue briefings will focus upon certain issues that you should understand and consider in your employment agreement.

**Regulatory:** There are many examples of regulatory issues, including state licensure requirements (eg, just because you are licensed in State A does not mean you can practice in State B), HIPAA compliance, and federal and state government mandates.

**Credentialing:** There are two major legal issues: hospital and facility credentialing, and third-party payer credentialing. Hospitals have procedures to determine whether physicians may provide professional services within their institution. Similarly, payers have requirements for who can be a participating provider in their network and for the rights and responsibilities that accompany such an activity.

**Reimbursement:** As a dermatologist, it is important to recognize that you are also a businessperson. Unless you are in a concierge practice, your financial success will be determined in large part by your relations with your third-party payers. Ensuring that you receive timely and adequate reimbursement will be critical to your financial viability. For instance, if your employment contract includes productivity bonuses, you will be particularly interested in ensuring your practice receives prompt and full payment from payers for services rendered.

**Fraud and Abuse:** The federal and state governments want to ensure that publicly funded healthcare programs (eg, Medicare and Medicaid) are not improperly exploited for financial gain by fraud or overuse by physicians and others in the healthcare delivery system. There are several federal statutes with which you should be familiar: the Anti-Kickback Statute; the Stark Statute, and the False Claims Act. You need to make sure that each of your practice's activities and those which affect you (directly or indirectly) comply with all relevant healthcare fraud and abuse laws.

**Antitrust:** The basic premise of the antitrust laws is to ensure a competitive marketplace. Price fixing, group boycotts, and so-called tying arrangements have been determined by the US Supreme Court to be per se illegal. Other antitrust situations involving the restraint of trade are governed by a rule of reason approach. Payers are entitled under current law to ensure that physicians in separate practices do not collaboratively negotiate reimbursement rates.

**Tort Law:** Unfortunately, because we are a litigious society, it is inevitable that you will be sued at one point in your career for something you did, did not do, should have done differently, or done sooner, etc. The best protection you can have is ensuring you have the appropriate professional liability coverage. Signing an employment agreement which states, "Employer shall provide professional liability coverage for Employee" is not sufficient. This language may not protect you during or after the relevant employment experience.

Know where to turn when you have legal questions and issues. Just like a patient should talk to you (and not their cardiologist) for dermatological issues, you should talk to a lawyer who focuses his/her professional attention within the health law arena when there are issues affecting you and/or your practice.

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