Individual Assignment:

There are two case scenarios below. You are a healthcare consultant/administrator advising the client/employer in each scenario. Read both scenarios and then answer each of the questions as if you were advising your client/employer in writing. Make sure to explain your answers. **Use the course reading to answer the questions.** You may also add additional research.

This is an individual assignment. You may not discuss your answers with your classmates.

The report should be at least 2 full pages double spaced, 1 inch margins. DO NOT REPEAT THE SCENARIO IN YOUR ANSWER.

**Scenario #1**: Your client/employer ABC hospital enters into an agreement with Novarmints pharma company to participate in a drug study. To conduct the study at the hospital, ABC asks physician Dr. No to serve as the principal investigator to conduct the pharma study for ABC. Dr. No is not a hospital employee but is on staff at the hospital. As part of the contract negotiations his contract negotiations with the hospital, Dr. No asks the hospital to pass along to him 50% of the contract fees that Novarmints has promised to ABC for conducting the study. Would Dr. No’s proposed split be lawful under the Stark law? Explain your answer. If not, explain the potential consequences of a violation.

**Scenario #2**: Dr. No is invited by Novarmints to take part in a study involving a recently FDA-approved drug that it is in the process of marketing to the public. Dr. No would be required to prescribe the drug for his patients and then complete a brief questionnaire about each patient’s experience with the drug. The questionnaire for each patient is expected to take about 20 minutes to complete. Novarmints will pay Dr. No $3,000 for each completed questionnaire. Dr. No sees this as “easy money” and a great way to increase practice revenues. Would this arrangement be lawful under the Anti-kickback statute? Explain your answer. If not, explain the potential consequences of a violation. Hint: Is this a real drug study?