

## Summary of Key Elements of Beneficiary Inducement Prohibition and Related Penalties

42 U.S.C. § 1320a-7(a)(5)

The following summarizes the key elements of the beneficiary inducement prohibition contained in the civil monetary penalty statute and potential penalties.

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| <b>Key Elements</b>        | <ul style="list-style-type: none"><li>• No person can</li><li>• Offer to or transfer</li><li>• Remuneration<ul style="list-style-type: none"><li>– Broadly defined as anything of value, with limited exceptions</li><li>– Includes any transfer of items or services for free or for other than fair market value (see 42 C.F.R. § 1003.110)</li></ul></li><li>• To a Medicare or Medicaid beneficiary</li><li>• That such person knows or should know is <u>likely to influence a beneficiary's selection of a particular provider</u> of Medicare or Medicaid payable items or services</li></ul> |
| <b>Potential Penalties</b> | <ul style="list-style-type: none"><li>• Up to \$10,000 per item or service</li><li>• Civil assessments up to 3 times the amount claimed</li><li>• Exclusion from Federal health care programs</li></ul>  |

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