

Vascular Centers 2002

“Partnering for the Future of Quality Patient Care”

Overview of: Legal & Contracting Aspects of Developing A Vascular Center

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May 10, 2002

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Overview of Issues

- A. Organize yourself
- B. Wish List
- C. Operating Entity
 1. Ownership
 2. Decision Making
 3. Income allocation
 4. Operational issues
- D. Who will Provide Professional Services?
- E. Financing and Leasing



Overview of Issues

F. Regulatory Issues

1. Federal law
 - a. Stark
 - b. Anti Kickback
 - c. HIPAA
2. State law
 - a. Self Referral/ Anti-Kickback Laws
 - b. Corporate practice of medicine
3. Certificate of Need and Licensure



Organize Yourself: Understand the Players



1. Owners
2. Vendors
3. Equipment suppliers
4. Attorney
5. Accountant
6. Consultant
7. Lender
8. Others

Organize Yourself: Get Organized

1. Maintain communication channels and distribution list (telephone, periodic meetings, e-mail, letter/faxes, web page and/or newsletter)
2. Designate a point person (saves time and \$\$)
3. Timeline
4. Business plan
5. Work on parallel paths (multi-task)
6. Confidentiality Agreement
7. Term Sheet

Organize Yourself: Create A Wish List

1. What services will be provided?
2. Can (or will) the owners refer patients to Entity?
3. Any Federal Programs involved?
4. Are the services “Designated Health Services”? (i.e., Radiology and certain other imaging services, MRI, CT?)
5. Are the services covered by private payors? (EBT?)

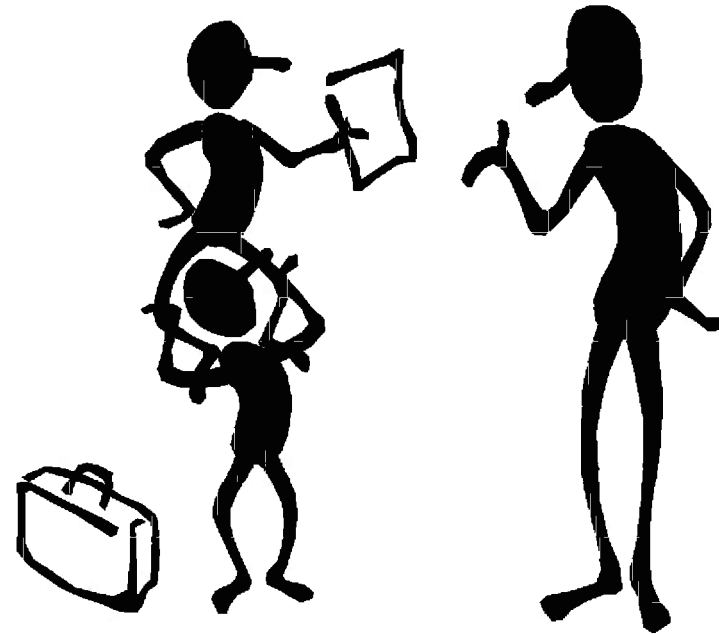


Organize Yourself: Create A Wish List

Who will You

“Partner” with?

1. On your own?
2. With other doctors/owners?
3. With a facility (i.e., a hospital)?



Formation of Vascular Center Entity: Organization

1. Available entities
 - a. Sole Proprietorship (1 party)
 - b. General Partnership
 - c. Professional Corporation
 - d. Limited Liability Company (“LLC”)
2. Documents Necessary
 - a. Certificate of Incorporation/Formation
 - b. Bylaws
 - c. Operating/Stockholder/Partnership Agreement
 - d. Organizational minutes

Formation of Entity: Determination of Ownership

What is the business deal?

How is ownership determined?

1. Equal ownership interest for each owner
2. Different percentages for each owner
3. Classes of owners
4. Rights of owners

Must result from arm's length negotiations, in a manner that does not take into account the volume or value of referrals or business otherwise generated between the parties, and is consistent with fair market value

