



## Fair Market Value Compensation Services

### **PYA offers professional services in:**

- Audit Services
- Case Management
- Chief Medical Officer Services
- Clinical Advisory Services
- Fair Market Value Compensation
- Financial Consulting
- Health Information Management (HIM) Coding & Compliance
- Hospital & Physician Compliance Services
- Human Resources
- Internal Audit
- Litigation Support
- Managed Care
- Medical Economics
- Mergers and Acquisitions
- Performance Improvement
- Physician Coding Compliance
- Physician Services
- Quality Management
- Real Estate
- Reimbursement
- Retirement Plan Consulting
- Revenue Cycle
- Strategic Planning
- Tax Services
- Valuation Services

Over the past 25 years, we have worked in concert with our clients and their legal counsel to find reliable solutions to complex valuation issues in today's healthcare regulatory environment. Our goal is to provide high quality valuation services through highly trained professionals who are committed to furthering our clients' interests within the boundaries of the ever-changing regulatory environment. As such, PYA has developed a wide variety of fair market value compensation services to assist our clients and their counsel.

### **Fair Market Value Compensation Services**

Over the past several years, the prohibitions against payments for referrals as outlined in the Stark II, Phase II and now Stark II, Phase III regulations have led many organizations to ensure that compensation associated with various physician/hospital arrangements is deemed to be "fair market value".

Accordingly, as our clients have encountered the need for fair market value compensation studies to be performed, PYA has developed extensive experience in this area. We perform hundreds of fair market value compensation studies annually covering all specialties. These studies combine available survey and market comparable data with a review of client-specific information to render a fair market value opinion which is tailored to our client's specific set of circumstances. Our experience in performing fair market value compensation studies spans various types of physician/hospital relationships. Specifically, PYA has performed fair market value studies on physician/hospital arrangements such as:

- |                                   |  |
|-----------------------------------|--|
| Call Pay                          | Personnel/Equipment Lease Arrangements |
| Clinical Co-Management Agreements | Physician Consulting Agreements        |
| Clinical Research                 | Professional Services Arrangements     |
| Financial Subsidies               | Quality Improvement Incentive Programs |
| Income Guarantees                 | Risk Management Leadership             |
| Joint Ventures                    | Shared Services Agreement              |
| Management Agreements             | Supervision Services Agreement         |
| Medical Directorships             |  |

Our healthcare valuation experience includes, but is not limited to the following entities:

- |                            |                           |                                       |
|----------------------------|---------------------------|---------------------------------------|
| Ambulatory Surgery Centers | Dialysis Centers          | Imaging Centers                       |
| Cancer Centers             | DME Providers             | Intangible Assets                     |
| Cath and Diagnostic Labs   | Hospitals                 | Physician Practices                   |
| Dental Practices           | Home Health Care Agencies | Retirement/Assisted Living Facilities |

# Fair Market Value Compensation Services



In addition, PYA has performed fair market value studies on various physician specialties and professional services including but not limited to:

## Physician Specialties

Anesthesiology	Neurology
Bariatrics	Neurosurgery
Behavioral Health	Obstetrics and Gynecology
Cardiology	Oncology (including medical & surgical oncology)
Colon and Rectal Surgery	Orthopedic Surgery
Critical Care/Intensivist	Otorhinolaryngology
Emergency Medicine	Pathology
Family Practice	Perinatology
Gastroenterology	Psychiatry
General Surgery	Pulmonology
Gynecological Oncology	Radiation Therapy
Hospitalist	Radiology
Infectious Disease	Sleep Medicine
Internal Medicine	Urology
Neonatology	
Nephrology	

## Professional Services

Ambulance Services	Magnetic Resonance Imaging (MRI)
Cardiac Computed Tomography (CT)	Nuclear Medicine
Cryotherapy	Pacemaker
Cytology	Pediatric Sedation
Electrocardiogram (EKG)	Positron Emission Tomography (PET)
Intraoperative Monitoring	Pulmonary Function Tests
Lithotripsy	

## Definition of Fair Market Value

Fair market value is defined as: "The price at which the property or service would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having reasonable knowledge of the relevant facts."<sup>1</sup> This definition is consistent with the Stark Law definitions of fair market value and general market value which are defined as follows:

**Fair Market Value:** the value in arm's-length transactions, consistent with the general market value;

**General Market Value:** the price that an asset would bring as the result of bona fide bargaining between well-informed buyers and sellers who are not otherwise in a position to generate business for the other party, or the compensation that would be included in a service agreement as the result of bona fide bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party, on the date of acquisition of the asset or at the time of the service agreement.<sup>2</sup>

For more information regarding our fair market compensation services, please contact us at (800) 270-9629.

*Bridging Business  
and Healthcare*

**For additional information about  
how PYA can assist you,  
contact us toll-free at  
(800) 270-9629.**

**Visit our website at  
[www.pyapc.com](http://www.pyapc.com).**

## **Office Locations:**

### **Atlanta**

Two Ravinia Drive  
Suite 200  
Atlanta, Georgia 30346

### **Austin**

505 East Huntland Drive  
Suite 270  
Austin, Texas 78752

### **Knoxville**

One Perkins Place  
525 Portland Street  
Knoxville, Tennessee 37919

### **Tampa Bay**

2963 Gulf to Bay Boulevard  
Suite 267  
Clearwater, Florida 33759

1. Estate Tax Reg. 20.2031.1-1(b); Revenue Ruling 59-60, 1959-1, C.B. 237.

2. Federal Register / Vol. 69, No. 59 / Friday, March 26, 2004 / Rules and Regulations