UNFAVORABLE

OIG WATCH

# 25-04

Device vendor pays hospitals' exclusion-screening / monitoring fees

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# What OIG Said

*OIG said paying compliance screening fees for your customers is remuneration that can look like buying referrals, not paying for services.*

- ⚠ OIG reviewed a proposal where a medical device company would pay a third-party company's annual exclusion-screening and monitoring fee for each hospital/health system/ASC customer during onboarding and re-credentialing.

- ⚠ OIG said the payments would be remuneration because they cover costs the customers otherwise would incur, and the customers are also referral sources for federally reimbursable device-related procedures.

- ⚠ OIG found no safe harbor and concluded the arrangement presents anti-competitive and steering risk, since relieving customers of a financial burden could induce them to choose Requestor over competitors.

- ⚠ OIG emphasized the per-customer fee structure creates a "gatekeeper" concern: customers might condition business on the vendor paying these fees, making the payments look like the price of access to referrals.



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# Diligence Checklist

*What you need to be ready to show in diligence*

- ✓ Do not cover a customer's operating/compliance costs (credentialing, monitoring, screening, admin subscriptions) unless you can clearly show why it's not a referral inducement.
- ✓ If any vendor assistance exists, document a legitimate commercial rationale that is independent of purchasing, volume, or access to cases.
- ✓ Avoid per-customer or per-site payments that track with referral sources; those structures read like paying for access.
- ✓ Keep agreements set in advance, tightly scoped, and arms-length, with no side deals tied to continued purchasing or exclusivity.
- ✓ Be prepared to show what the customer pays vs. what the vendor pays and why that split is commercially reasonable.

*If you're paying costs your customers should bear, and you can't prove independence from purchasing decisions, this is exactly the profile OIG said will draw fire.*



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# *Structure not diligence-ready?*

Cabra Consulting helps healthcare organizations make sure compensation and transaction structures are independently valued, clearly scoped, and defensible in diligence.



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