

Lease of Equipment Exception

Payments made by a lessee to a lessor for the use of equipment will not constitute a financial relationship if the rental or lease agreement meets all the elements of the exception.

Elements of the Exception	Check if Applicable to the Arrangement
The rental or lease agreement is set out in writing, specifies the equipment the agreement covers, and is signed by both parties to the agreement	
The term of the agreement is for at least one (1) year. If the agreement is terminated during the term of the lease, with or without cause, the parties may not enter into a new agreement during the first year of the original term of the agreement	
The rental charges over the term of the agreement are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties	
The rental charges may not be determined using a formula based on either of the following: <ul style="list-style-type: none"> • A percentage of revenue raised, earned, billed, collected, or otherwise attributable to the services performed on or business generated through the use of the equipment • Per-unit of service rental charges, to the extent that such charges reflect services provided to patients referred by the lessor to the lessee 	
The equipment rented or leased does not exceed that which is reasonable and necessary for the legitimated business purposes of the lease or rental and is used exclusively by the lessee when being leased by the lessee. During the term of the agreement the equipment may not be shared with or used by the lessor or any person or entity related to the lessor	
The agreement would be commercially reasonable even if no referrals were made between the parties	