



Self-referral to limited-service hospitals: Bad for America's health care system!

FACT Fax

Research shows self-referral leads to higher utilization and costs.

Patients of physicians referring to entities in which they had an investment interest – “self-referral” – were *substantially more likely* to receive referrals for imaging services:

- **54% more** MRIs
- **27% more** CT scans
- **37% more** nuclear medicine scans
- **27% more** echo cardiograms
- **22% more** ultrasounds
- **22% more** complex x-rays¹

Congress prohibited self-referral for a variety of services, but a small number of physician-owners are exploiting a loophole in this law that allows them to refer these services to hospitals they own. Congress put a moratorium on self-referral to new limited-service hospitals, set to expire this June.

CLOSE THE LOOPHOLE:

Make permanent the ban on physician self-referral to new limited-service hospitals.



¹ Source: U.S. Government Accountability Office, Medicare referrals to physician-owned imaging facilities warrant HCFA's Scrutiny, GAO/HEHS-95-2, October, 1994.