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

MedPAC finding: Costs per discharge in physician-owned orthopedic hospitals are not lower.

In its March 2005 report, MedPAC found physician-owned orthopedic hospital costs per case are 17 percent higher than the median cost per case for all hospitals. Based on these and other findings, MedPAC recommends that Congress extend the moratorium.

![Bar chart showing cost comparison between physician-owned orthopedic hospitals and competing community hospitals.](chart.png)

Source: MedPAC Report to Congress, Physician-owned Specialty Hospitals, March 2005. Due to small sample size these results do not meet tests for statistical significance. Competitor hospitals are located in the same market and offer some of the same services.

CLOSE THE LOOPHOLE:
Make permanent the ban on physician self-referral to new limited-service hospitals.