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

FACT Fax


MedPAC found physician-owned heart hospitals serve a lower proportion of Medicaid patients than full-service hospitals in the same geographic areas. Since Medicaid pays hospitals less than the cost of care, this puts full-service hospitals at a financial disadvantage.

![Bar Chart: Medicaid Patients as a Percent of Total Patients]

Medicaid Patients as a Percent of Total Patients
Physician-owned Heart Hospitals vs. Community Hospitals
2002

- Physician-owned Heart Hospitals: 4%
- Competing Community Hospitals: 15%
- All Non-specialty Hospitals: 15%

*Includes all non-specialty hospitals paid under the Inpatient Prospective Payment System.

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

Preserve Care
Promote Fair Competition
Prevent Conflict of Interest