



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

## FACT Fax

### Research finds self-referral leads to more radiology tests and higher health care costs.

Congress banned self-referral for many services, including radiology. But certain physicians are exploiting a loophole and self-referring patients for inpatient and outpatient radiology to hospitals they own.

#### Patients of physicians in a position to profit from referrals:

- Were **4.0 to 4.5 more likely** to have imaging exams than patients of physicians referring to independent radiologists.<sup>1</sup>

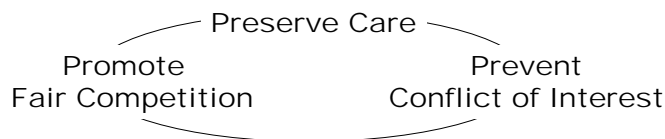


**92%** of physician-owned limited service hospitals have diagnostic radiology services.<sup>2</sup>

***This raises cost and quality concerns!***

### CLOSE THE LOOPHOLE:

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



<sup>1</sup> Hillman BJ, et al.: Frequency and costs of diagnostic imaging in office practice: a comparison of self-referring and radiologist-referring physicians. *New England Journal of Medicine*, December 6, 1990;323(23):pp 1604-1608.

<sup>2</sup> Medicare Cost Report Data (HCRIS, released 4th Quarter 2004).