




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

## FACT Fax

### Research finds self-referral leads to more physical therapy and higher health care costs.

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

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

- Received physical therapy at **rates 39% to 45% higher** than patients referred to independent practitioners.<sup>1</sup>  **67%** of physician-owned limited service hospitals have physical therapy services.<sup>2</sup>

### CLOSE THE LOOPHOLE:

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



<sup>1</sup> Mitchell JM, Scott E: Physician ownership of physical therapy services. *JAMA*, October 21, 1992;268(15):pp 2055-2059.

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