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 \textit{rates 39\% to 45\% higher} than patients referred to independent practitioners.\textsuperscript{1}
- 67\% of physician-owned limited service hospitals have physical therapy services.\textsuperscript{2}

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

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\textsuperscript{1} Mitchell JM, Scott E: Physician ownership of physical therapy services. \textit{JAMA}, October 21, 1992;268(15):pp 2055-2059.
\textsuperscript{2} Medicare Cost Report Data (HCRIS, released 4th Quarter 2004).