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

FACT Fax

Increases in the volume of services provided raise concerns that physician-self referral may create incentives for over-utilization.

In Rapid City, South Dakota the number of inpatient surgeries per 1000 residents increased by 50% while outpatient use rates jumped by 120% following the opening of two physician-owned surgical hospitals. This type of data raises serious questions about the impact of physician-self referral on costs and utilization—questions that must be adequately addressed before allowing these facilities to proliferate.

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