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

FACT Fax

MedPAC: Physician-owned heart hospitals serve a different racial and ethnic mix than full-service hospitals in the same community.

![Bar chart showing average shares of Medicare discharges by race and ethnicity for physician-owned heart hospitals vs. competing hospitals.]

Average Shares of Medicare Discharges by Race and Ethnicity for Physician-owned Heart Hospitals vs. Competing Hospitals

- White: 92.1% for Physician-owned Heart Hospitals, 85.2% for All Local Competitors
- Black: 3.6% for Physician-owned Heart Hospitals, 9.6% for All Local Competitors
- Hispanic: 1.7% for Physician-owned Heart Hospitals, 2.2% for All Local Competitors
- Other: 2.6% for Physician-owned Heart Hospitals, 3.1% for All Local Competitors

Source: MedPAC, Medicare Admissions by Type of Hospital and Race, May 12, 2005. To ensure comparability between hospital groups, MedPAC compared heart hospitals with competitor hospitals serving the same markets to avoid the potential bias of comparing populations with different underlying race shares.

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