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

FACT Fax

Self-referral leads to higher health care utilization and costs. Changes to Medicare payment policy alone will not address this issue.

Changing Medicare payment policy does not address the broader issue of physician self-referral and its impact on health care utilization and costs. Patients of physicians referring to entities in which they had an investment interest – “self-referral” – were substantially more likely to receive referrals for imaging services:

- 54% more MRIs
- 27% more CT scans
- 37% more nuclear medicine scans
- 27% more echo cardiograms
- 22% more ultrasounds
- 22% more complex x-rays

Congress prohibited self-referral for a variety of services, but a small number of physician-owners are exploiting a loophole in this law that allows them to refer these services to hospitals they own.

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