

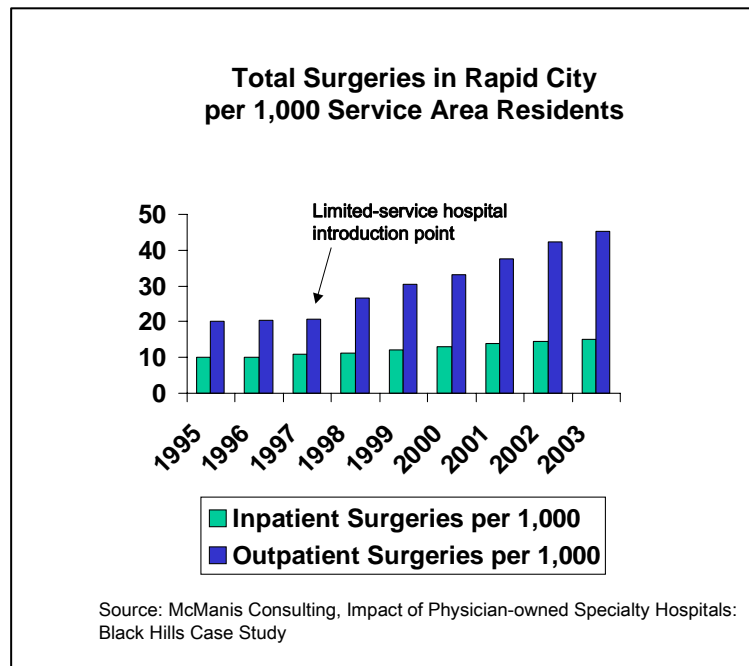


Self-referral to limited-service hospitals: Bad for America's health care system!

FACT Fax

Increases in the volume of services provided raise concerns that physician self-referral may create incentives for over-utilization. Changes to Medicare payment policy alone will not address this issue.

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.



CLOSE THE LOOPHOLE:

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

