Bipartisan Groups Support Closing Self-Referral Loophole

Momentum is mounting to end self-referral abuse in Medicare. AIM’s proposed solution to close the self-referral loophole has gained recent endorsements from bipartisan groups and President Obama.

**April 2013: President Obama’s 2014 budget proposal.**

“Exclude Certain Services from the In-Office Ancillary Services Exception: The in-office ancillary services exception was intended to allow physicians to self-refer quick turnaround services. While there are many appropriate uses for this exception, certain services, such as advanced imaging and outpatient therapy, are rarely performed on the same day as the related physician office visit. Additionally, evidence suggests that this exception may have resulted in overutilization and rapid growth of certain services. Effective calendar year 2015, this proposal would seek to encourage more appropriate use of select services by excluding radiation therapy, therapy services and advanced imaging from the in-office ancillary services exception to the prohibition against physician self-referrals (Stark law), except in cases where a practice meets certain accountability standards, as defined by the Secretary. [[$6.1 billion in savings over 10 years]]

**April 2013: The Bipartisan Policy Group,** Former Senate Majority Leaders Tom Daschle (D-SD) and Bill Frist (R-TN), former Senator Pete Domenici (R-NM), and former White House and Congressional Budget Office Director Dr. Alice Rivlin.

“5. LIMIT THE IN-OFFICE EXCEPTION TO THE PHYSICIAN SELF-REFERRAL LAW (FY2014–2023 Budget Savings: $6.1 Billion)

The president’s FY 2014 budget included a proposal to limit the in-office exception to providers who meet accountability standards. We are supportive of this approach. Limiting self-referral for imaging and other tests to providers who participate in advanced payment models, in which providers are accountable for cost and quality, is in alignment with our overall vision for health-system reform.”

**April 2013: Erskine Bowles and Alan Simpson, Moment of Truth Project.**

“Physician self-referrals should be further restricted and better monitored, including narrowing the ancillary service exception.”

**August 2012: New England Journal of Medicine**

“A Systemic Approach to Containing Medicare Spending,” was written by former high ranking administration officials and premier health policy experts.

“Expand the Medicare Ban on Physician Self-Referrals. We believe that the Stark law should be expanded to prohibit physician self-referrals for services that are paid for by private insurers. In addition, the loopholes for in-office imaging, pathology laboratories, and radiation therapy should be closed. Physicians who use alternatives to fee-for-service payment should be exempted because these methods reduce incentives to increase volume.”

**November 2012: The Center for American Progress, Senior Protection Plan.**

“Expand Medicare’s ban on physician self-referrals

The Stark law should be expanded to prohibit physician self-referrals for services that are paid for by private insurers. Within three years, the loopholes for in-office imaging, pathology laboratories and radiation therapy should be closed. An exception should apply to physicians who use alternatives to fee-for-service payment, which reduce incentives to increase the volume of services.”