

AIM

ALLIANCE FOR INTEGRITY IN MEDICARE

Closing the Self-Referral Loophole and Preserving Medicare Integrity

PARTNERS IN THE COALITION



**Joint Statement from the Alliance for Integrity in Medicare
Applauding IOAS Reform Recommendations in the Recent
New England Journal of Medicine Article entitled
“A Systemic Approach to Containing Medicare Spending”
August 2, 2012**

The Alliance for Integrity in Medicare (AIM)—a broad coalition of medical specialty, laboratory, radiation oncology, and medical imaging groups committed to ending the practice of inappropriate physician self-referral—today applauded recommendations to close the self-referral loophole in a new article published in the *New England Journal of Medicine*, entitled “A Systemic Approach to Containing Medicare Spending” ([August 1, 2012 | E. Emanuel and Others DOI: 10.1056/NEJMs1205901](#)).

Specifically, the article states that the loopholes in the Medicare in-office ancillary services (IOAS) exception to the federal self-referral law for in-office advanced diagnostic imaging, pathology laboratories, and radiation therapy “should be closed.” AIM has long supported the position expressed by the authors on physician self-referral, and we would add physical therapy services to this list of services. AIM also agrees with expanding self-referral prohibitions to services paid by private insurers. We continue to be gravely concerned about the ongoing misapplication of IOAS exception to the physician self-referral law. We believe this loophole results in increased spending, unnecessary utilization of medical services, and potentially compromised patient choice and care, thus eroding the integrity of the Medicare program.

Further, AIM also generally agrees with the authors’ efforts to exempt physicians from self-referral prohibitions if they are participants in innovative payment reform models outside of the traditional fee-for-service system. These new payment models should reduce incentives to increase the volume of medical services. We also support preserving the ability of truly integrated multispecialty practices to continue providing high value, high quality care for Medicare beneficiaries under the self-referral law.

The organizations comprising the AIM Coalition remain steadfastly committed to improving patient care and preserving valuable Medicare resources. AIM strongly urges Congress to follow the recommendation of these renowned experts and pass legislation to remove advanced diagnostic imaging, anatomic pathology, radiation therapy and physical therapy from the IOAS exception. Reforming this policy will ensure that patients receive the highest quality and safest health care most appropriate to their needs, rather than care that enriches the revenue streams of referring physicians. Not only would removing the aforementioned services from the IOAS exception represent sound health care policy, but also it is likely to produce substantial savings to the Medicare program.