



ALLIANCE FOR INTEGRITY IN MEDICARE
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**JOINT STATEMENT FROM THE ALLIANCE FOR INTEGRITY IN MEDICARE
ON THE RELEASE OF THE GOVERNMENT ACCOUNTABILITY OFFICE REPORT
EXAMINING SELF-REFERRAL TRENDS FOR PHYSICAL THERAPY SERVICES
PROVIDED UNDER MEDICARE
JUNE 3, 2014**

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, greatly appreciates Congress' inquiry into the issue of self-referral among Medicare providers. Yesterday, the Government Accountability Office issued a new report examining self-referral trends for physical therapy services, the fourth in a series on self-referral. This report ([GAO-14-270](#)) again finds a change in practice patterns among physicians before and after they begin to self-refer for physical therapy services, consistent with trends contained in the previous GAO reports on self-referral examining advanced diagnostic imaging ([GAO-12-966](#)), anatomic pathology ([GAO-13-445](#)) and radiation oncology ([GAO-13-525](#)).

AIM continues to be gravely concerned about the ongoing misapplication of the in-office ancillary exception (IOAS) to the federal self-referral statute. We strongly believe the IOAS exception must be narrowed by Congress to specifically remove advanced diagnostic imaging, anatomic pathology, physical therapy and radiation oncology in order to prevent increased Medicare spending, unnecessary utilization of medical services and potentially compromised patient choice and care, all of which erode the integrity of the Medicare program. AIM is pleased that the bipartisan group of Congressional requestors of the GAO reports, including Sen. Charles Grassley (R-IA) and Reps. Sander Levin (D-MI) and Henry Waxman (D-CA), continue to [call attention](#) to the troubling impact of physician self-referral on patients and the Medicare program.

We continue to call on Congress to pass H.R. 2914, the *Promoting Integrity in Medicare Act of 2013* (PIMA), so not only will Medicare patients receive the highest quality and safest health care most appropriate to their needs, but it will also ensure that the policy incentives within the Medicare program are properly aligned. PIMA would save Medicare billions of dollars, according to the Congressional Budget Office, and is in the best interests of beneficiaries, providers and our nation's health system overall.

In fact, earlier this year, the Congressional Budget Office estimated that if advanced diagnostic imaging, anatomic pathology, radiation therapy and physical therapy were removed from the list of permissible services under the IOAS exception, the Medicare program would achieve at least \$3.4 billion in savings over ten years.

It is important to note that if H.R. 2914 is enacted, physicians will continue to be able to order x-rays and routine clinical laboratory tests in order to diagnose and treat patients during office visits. Moreover, the ability of truly collaborative and integrated multi-specialty group practices to operate as they do today through the IOAS exception will be preserved. And in rural areas, access to care would not be limited, as the existing rural exceptions to the self-referral law would be maintained.

Reforming the IOAS exception to remove the four aforementioned services will ensure that the care Medicare patients receive is the most appropriate to their needs and not motivated by potential profit from misaligned incentives—a positive for beneficiaries, providers and all Americans.

The Alliance for Integrity in Medicare

American Clinical Laboratory Association

American College of Radiology

American Physical Therapy Association

American Society for Clinical Pathology

American Society for Radiation Oncology

Association for Quality Imaging

College of American Pathologists

Radiology Business Management Association

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The Alliance for Integrity in Medicare (AIM) is a broad coalition of medical societies committed to ending the practice of inappropriate physician self-referral and focused on improving patient care and preserving valuable Medicare resources. AIM partners include the American Clinical Laboratory Association (ACLA), the American College of Radiology (ACR), the American Physical Therapy Association (APTA), the American Society for Clinical Pathology (ASCP), the American Society for Radiation Oncology (ASTRO), the Association for Quality Imaging (AQI), the College of American Pathologists (CAP) and the Radiology Business Management Association (RBMA). More information is available at www.aimcoalition.com.