



ALLIANCE FOR INTEGRITY IN MEDICARE
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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 — strongly commends the letter sent by the AARP to Rep. Jackie Speier (D-Calif.) on December 11, 2014. AIM applauds AARP for defending patients who are at risk of receiving unnecessary care caused by the abusive, profit-motivated practices exploiting the In-Office Ancillary Services (IOAS) exception.

We urge Congress to pass the Promoting Integrity in Medicare Act (PIMA) seeking to protect patients from this clear conflict of interest by ensuring that clinical decisions are made in the best interest of patients, and not influenced by profits. This legislation would close the physician self-referral loophole immediately by removing advanced diagnostic imaging, anatomic pathology, physical therapy, and radiation therapy from the in-office ancillary services exception. Additionally, this legislation would realign provider incentives, which is in the best interests of Medicare beneficiaries, taxpayers, and the American health care system.

President Obama's Proposed Fiscal Year 2014 and 2015 Budgets have recommended closing the IOAS exception for advanced diagnostic imaging, anatomic pathology, physical therapy and radiation therapy. Accordingly the Congressional Budget Office has estimated the associated Medicare savings at \$3.4 billion over 10 years.

Numerous studies, including Government Accountability Office reports on each of the four services, demonstrate that many physicians are taking advantage of the loophole in the self-referral law, resulting in likely overutilization of a number of highly profitable services. The evidence consistently confirms that self-referral leads to a dramatically higher number of advanced diagnostic imaging scans, biopsies, and radiation treatments, particularly when compared to those physicians who do not self-refer for these services. A recent *Arizona Republic* article illustrates the problem. It revealed troubling stories of elderly prostate cancer patients who were directed to radiation treatment centers that required extensive driving distances to the centers; these centers were owned by their urologists. *The Wall Street Journal* also recently called attention to the issue of self-referral in anatomic pathology. Patients should not have to question whether financial incentives are driving their physician's treatment recommendations.

Furthermore, several bipartisan groups, including the Moment of Truth Project and the Bipartisan Policy Group, have also recommended narrowing the IOAS exception to eliminate the abuse caused by this loophole.

AIM praises AARP for its leadership in advocating on behalf of Medicare patients by supporting legislation aimed at closing the physician self-referral loophole for services for which the IOAS exception has been inappropriately applied.

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*