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AIM Coalition Applauds Re-introduction of Bill to Curb Physician Self-Referral of Ancillary Services

Medical Groups Unite to Realign Incentives for Physician Self-Referral and Remove Certain Services from In-Office Ancillary Services (IOAS) Exception to the Medicare Self-Referral Statute

A STATEMENT FROM THE ALLIANCE FOR INTEGRITY IN MEDICARE (AIM) APRIL 28, 2016

(Washington, DC) – A broad coalition of medical organizations praised Rep. Jackie Speier (D-CA14) today following the Congresswoman’s introduction of The Promoting Integrity in Medicare Act (PIMA) of 2016, that proposes to realign the financial incentives for physicians who self-refer for ancillary services by eliminating certain services from an exception in the Medicare self-referral statute, known as the Stark law. Enacting such changes would save the Medicare program an estimated \$3.3 billion over 10 years, according to the Congressional Budget Office (CBO). AIM applauds the Congresswoman’s continued strong leadership on this issue, which dates to her tenure in the California Assembly.

PIMA notes that “recent studies by the Government Accounting Office (GAO) examining self-referral practices in advanced diagnostic imaging and anatomic pathology determined that financial incentives were the most likely cause of increases in self-referrals.” The Alliance for Integrity in Medicare (AIM) long has supported the removal of anatomic pathology, advanced diagnostic imaging, physical therapy, and radiation therapy from the physician self-referral law’s In-office Ancillary Services (IOAS) exception. Narrowing the IOAS exception will improve patient care and choice for beneficiaries, while protecting the integrity of the Medicare program overall.

Last year, in letters delivered to key House and Senate committees and congressional leadership about the exclusion of specific services from the IOAS exception, the Coalition stated, “In addition to improving patient care and reducing inappropriate utilization of health care services, enactment of this policy will generate substantial savings to the Medicare program...”

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Intended to encourage patient convenience, the IOAS exception was created to allow a limited number of common health care services to be performed during the same day as office visits, such as routine lab tests and x-rays, so that Medicare beneficiaries may be diagnosed and treated expeditiously—and PIMA will not preclude those services. The bill states, “Those services intended to be covered under the IOAS exception are not affected by this legislation.” Additionally, the ability of truly integrated, collaborative multi-specialty groups to operate as they do today will be preserved, as would the existing rural exception.

Furthermore, reforming the IOAS exception through the passage of The Promoting Integrity in Medicare Act of 2016 will ensure Medicare patients receive the highest quality and safest health care most appropriate to their needs, and that Medicare policy incentives are properly aligned saving millions of dollars, which is in the best interests of beneficiaries, providers, and our nation’s health care system overall.

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