



ALLIANCE FOR INTEGRITY IN MEDICARE
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PARTNERS IN THE COALITION



April 6, 2017

The Honorable Jackie Speier

U.S. House of Representatives
2465 Rayburn House Office Building
Washington, DC 20515

Dear Representative Speier:

On behalf of the members of 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 – thank you for reintroducing *The Promoting Integrity in Medicare Act (PIMA)*.

AIM strongly supports PIMA, which addresses an issue challenging the integrity of the Medicare program: ongoing self-referral practices in advanced diagnostic imaging, anatomic pathology, physical therapy, and radiation therapy. By removing these four services from the in-office ancillary services exception (IOAS) under the Medicare self-referral law, your legislation will realign provider incentives, which is in the best interests of Medicare beneficiaries, taxpayers, and the American health care system overall.

We believe that narrowing the IOAS exception to exclude the aforementioned services will improve patient care and coordination, while preserving valuable Medicare resources and the integrity of the program. The intention of the IOAS exception is to promote patient convenience by allowing physicians to self-refer for certain services furnished in their group practices. Yet, the current use of this exception goes well beyond its intended objective. Advanced diagnostic imaging, anatomic pathology, physical therapy, and radiation therapy services are rarely furnished on the same day as the initial appointment and are not services that are provided in a physician practice for patient convenience. In addition, based on numerous GAO and peer reviewed studies, abuse of the IOAS exception has led to significant overutilization of these services.

The Promoting Integrity in Medicare Act of 2017 reflects the findings of the Government Accountability Office, the Office of the Inspector General of the U.S. Department of Health and Human Services, academic studies, as well as the positions of several bipartisan groups such as the Moment of Truth Project and the Bipartisan Policy Group. All of these findings point to the need to narrow the IOAS exception. Additionally, if this legislation is enacted, the Medicare program will save \$3.3 billion, as scored by the Congressional Budget Office, while the ability of all providers to render the highest quality, safest, and most appropriate care to all patients will be preserved.

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Moreover, given that Medicare fee-for-service remains in some form for many physician services after the passage of *The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)*, improper self-referral will continue to occur. Gainsharing and alternative payment models will not be successful if overutilization continues to be incentivized in the Medicare program. By ensuring that only physicians participating in approved alternative payment models and other truly integrated medical groups focusing on quality can self-refer under the IOAS exception, PIMA will both root out abuse in the fee-for-service system while accelerating participation in alternative payment models. Such efforts will further the goals of higher quality health care at lower cost, resulting in better outcomes.

AIM applauds your continued leadership on this important issue, as well as the tireless work of your staffer, Molly Fishman, and stands ready to assist you in any way.

Sincerely,

The Alliance for Integrity in Medicare

American Clinical Laboratory Association
American Physical Therapy Association
Association for Quality Imaging
American Society for Radiation Oncology
American Society for Clinical Pathology
College of American Pathologists
Radiology Business Management Association

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 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.