WASHINGTON, Oct. 23, 2013 /PRNewswire-USNewswire/ -- 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 support and applaud the dramatic findings in the Octo ber 24, 2013 *New England Journal of Medicine* (NEJM) article, "Urologists Use of Intensity Modulated Radiation Therapy (IMRT) for Prostate Cancer" published October 24 , 2013. We urge Congress to pass legislation to close the physician self-referral loophole immediately by removing these services, as well as advanced diagnostic imaging, anatomic pathology, and physical therapy, from the in-office ancillary services exception (IOAS).

Authored by noted Georgetown University health care economist Jean M. Mitchell, PhD, the article analyzes treatment patterns by urologists before and after they acquired ownership of IMRT services, compared to the treatment patterns of non-self-referring urologists and urologists who practice at National Comprehensive Cancer Network (NCCN)-designated cancer centers (also non-self-referrers).

AIM believes the findings in this article add significantly to the existing extensive body of evidence that the IOAS loophole to the federal *Ethics in Patient Referrals Act*, also known as the self-referral law, results in mistreated patients and billions of wasted Medicare dollars.

The *NEJM* study found that:

- Men with prostate cancer seen by self-referring urologists were 2.79 times as likely (179 percent more likely) to receive IMRT than men seen by their non-self-referring private practice counterparts. Men seen by self-referring urologists were 6.18 times as likely (518% more likely) to receive IMRT than men seen by urologists at NCCN cancer centers.
- IMRT utilization among self-referring groups increased 246 percent from 13.1 percent to 32.3 percent once they became self-referrers. In contrast, IMRT utilization by non-self-referring urologists who were peers practicing in the same community-based setting was virtually unchanged—with a modest increase of 1.3 percentage points. The difference-in-differences

analysis reveals that self-referral accounts for 93 percent of the growth in IMRT. (The difference-in-differences technique measures change caused by the influence of a certain variable during a specific interval for the impacted population as compared to the control population.)

- IMRT utilization among the subset of 11 self-referring urology practices near NCCN centers increased from 9 percent to 42 percent, an increase of 33 percentage points, from the pre-ownership to the ownership period, compared to an insignificant increase of 0.4 percentage points at the NCCN centers.
- In addition to increased IMRT utilization, the data demonstrate decreases in utilization of other effective, less expensive treatment options (i.e. brachytherapy) by self-referring urologists, while the study found "virtually no change in practice patterns" for non-self-referring urologists.
- The NEJM report concludes that "men treated by self-referring urologists, as compared with men treated by non-self-referring urologists, are much more likely to undergo IMRT, a treatment with a high reimbursement rate, rather than less expensive options, despite evidence that all treatments yield similar outcomes."

With other numerous studies reaching similar conclusions that physician self-referral leads to increased utilization of services that may not be medically necessary, poses a potential risk of harm to patients, and costs the health care system millions of dollars each year, the AIM Coalition continues to express our concerns about the ongoing misapplication of the IOAS exception in the physician self-referral law. We believe this loophole directly results in practices that continue to weaken the integrity of the Medicare program.

To date, the GAO has issued three reports in a four-part series on physician self-referral. The most recent, from August 2013, corroborates today's NEJM article detailing abuse in radiation therapy treatment for prostate cancer. The GAO report found a 456 percent increase in IMRT utilization by self-referrers, compared to a 5 percent decrease by non-self-referrers, and that the number of treatments rose by 609 percent compared to a 3.8 percent decrease at non-self-referring multi-specialty groups. In response to this report, Senate Finance Committee Chair Max Baucus (D-Mont.) said in a statement: "Enough is enough. Congress needs to close this loophole and fix the problem."

In July 2013, the GAO report, "Action Needed to Address Higher Use of Anatomic Pathology Services by Providers Who Self-Refer," found that self-referring providers likely referred nearly one million more unnecessary anatomic pathology services than non-self-referring providers, costing Medicare approximately $69 million. The first GAO report in November 2012, "Higher Use of Advanced Imaging Services by Providers Who Self-Refer Costing Medicare Millions," examining self-referral in advanced diagnostic imaging, found that "providers who self-referred likely made 400,000 more referrals for advanced imaging services than they would have if they

were not self-referring"—at a cost of more than
$100 million
in 2010. The final report, expected by the end of this year, will detail self-referral for physical therapy services.

Previously, a September 2012 *New England Journal of Medicine* article, authored by leading health policy experts including former Centers for Medicare and Medicaid Services Administrator Donald Berwick, MD, MPP, called for closing the self-referral loophole for radiation therapy and other so-called "ancillary services." Additionally, the Center for American Progress recommended with narrowing the IOAS exception, as well as several notable bipartisan groups, including the Bipartisan Policy Center, under the leadership of former Senate Majority Leaders
Tom Daschle
(D-SD) and
Bill Frist
(R-TN.), and the Moment of Truth Project, headed by
Erskine Bowles
and former Senator
Alan Simpson
(R-WY).

Furthermore, the Administration's FY 2014 Budget recommended closing the loophole, which could save the Medicare program more than $1.8 billion during the standard 10-year budget window, according to the Congressional Budget Office.

Federal legislation was introduced on August 1, 2013, to address these practices, by Representative Jackie Speier (D-CA). The *Promoting Integrity in Medicare Act of 2013* (PIMA), H.R. 2914, will close the self-referral loophole for radiation therapy, advanced diagnostic imaging, anatomic pathology, and physical therapy services, resulting in better care for patients and billions of dollars in Medicare savings which could offset the costs of repealing the Medicare physician payment formula (Sustainable Growth Rate or SGR).

AIM strongly supports this legislation and urges Congress to promptly pass PIMA, as reforming this policy will ensure that Medicare patients receive the highest quality and safest health care most appropriate to their needs, and that Medicare policy incentives are properly aligned—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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