

October 29, 2012

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Hatch:

The undersigned organizations urge your opposition to proposed legislation, the Promoting Integrity in Medicare Act of 2011, to restrict the provision of ancillary services in medical practices through amendment of the physician self-referral (“Stark”) law. Our organizations seek to protect Medicare beneficiaries and taxpayers alike by providing high quality, ethical care in a setting that benefits the patient and facilitates care coordination. The net result of this legislation would be a negative impact on practices across the country, including some of the nation’s most well-respected healthcare institutions.

Ancillary services are a vital component of the diagnostic and treatment regimens utilized in many medical practices. The in-office ancillary services exception to the Stark law is used by physicians to provide patients with services for the prevention, early detection, diagnosis and treatment of diseases. Physicians and group practices relying on this exception must meet complex billing, supervision, and location requirements. Further restricting provision of these services beyond these detailed requirements would have a chilling effect on our nation’s care delivery system. In its June 2011 Report to Congress, even MedPAC recommended against limiting the Stark law exception for ancillary services, citing potential “unintended consequences, such as inhibiting the development of organizations that integrate and coordinate care within a physician practice.”

The proposed legislation would negatively affect the ability of physicians to coordinate and manage high quality care for their patients. The services affected by the proposal – advanced diagnostic imaging studies, radiation therapy services, anatomic pathology services, and physical therapy services - are essential tools, used on a daily basis by practices seeking to provide comprehensive services to their patients. If this proposal were enacted, patients would be forced to receive ancillary services in a new and unfamiliar setting, increasing inefficiencies, presenting significant barriers to appropriate screenings and treatments and thus making their health care less accessible. The attending physician would no longer be involved in the oversight of the affected services and care would be further fragmented at a time when there is widespread agreement that

improving the U.S. healthcare system will require more care coordination, not less. In addition, repealing the IOASE would result in care being shifted into more expensive settings, raising costs to Medicare beneficiaries and the program substantially.

The medical profession has taken significant steps to ensure that only medically necessary and appropriate ancillary services are performed. These steps include the development and implementation of training guidance, appropriate use criteria, practice guidelines, and decision support tools which assist physicians in delivering the most appropriate care. In addition, Congress and the Department of Health & Human Services have heavily regulated the provision of such services, through the Stark law and elsewhere.

We understand and appreciate the many pressures that Congress is under to curb federal spending – both mandatory and discretionary – but urge you to reject this short-sighted proposal.

Sincerely,

American Academy of Neurology
American Academy of Ophthalmology
American Academy of Otolaryngology—Head and Neck Surgery
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Physicians
American College of Surgeons
American Gastroenterological Association
American Medical Association
American Medical Group Association
American Osteopathic Association
American Society of Echocardiography
American Society of Neuroimaging
American Society of Nuclear Cardiology
American Urological Association
Association of Black Cardiologists
Cardiology Advocacy Alliance
Congress of Neurological Surgeons
Large Urology Group Practice Association
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions

cc: Senate Finance Committee members