

PROTECT IN-OFFICE ANCILLARY SERVICES

The ability to quickly diagnose a musculoskeletal condition and initiate a treatment plan is integral to restoring patient mobility and preventing future injury. The in-office ancillary services (IOAS) exception to the Stark Law is essential to the efficient diagnosis and treatment of musculoskeletal conditions.

Why the In-Office Ancillary Service Exception Matters:

Removing the IOAS exception would be detrimental to orthopaedic patients. Physician ownership of ancillary services enables better oversight of the quality of care being delivered; improved care coordination among providers through shared knowledge of patient and case information; greater patient adherence to treatment plans by eliminating scheduling delays, prolonged waits, and the need to travel to other offices; and an integrated care model that combines healthcare providers of various fields to promote a team-based approach to musculoskeletal care delivery.

Research supports this position. In a June 2011 report to Congress, the Medicare Payment Advisory Commission (MedPAC) recommended against limiting the Stark exception for ancillary services, citing potential “unintended consequences, such as inhibiting the development of organizations that integrate and coordinate care within a physician practice.” A 2014 Government Accountability Office (GAO) study on physician owned physical therapy (PT) services showed that physicians who own PT services utilize those services less than PT provided in non-physician owned settings.¹ In addition, a 2015 study indicated that there is no empirical support for the proposition that acquisition of an onsite MRI increases the rate of MRI use among Medicare patients.² Finally, per unit costs of ancillary services are generally less when delivered in the physician office than in the hospital.³

Ancillary Services Legislation Should:

- **Allow for utilization of medical services:** Utilization of medical services, including imaging and physical therapy, improves lives and restores mobility to millions of patients each day.
- **Incentivize quality care:** Legislation should create incentives to promote high quality clinical services. The AAOS and other medical organizations are invested in quality initiatives to ensure the highest quality services are provided to their patients.
- **Increase oversight and care coordination:** Direct supervision of imaging by the orthopaedist decreases imaging errors, enables better physician oversight of the quality of care being delivered, and provides for greater patient adherence to treatment plans by eliminating scheduling delays, prolonged waits, and the need to travel to other offices for these services. This is important for orthopaedic patients who already have existing mobility issues, like the elderly and disabled.

What Congress Should Do:

Congress should oppose any effort to remove the in-office ancillary services exception.

¹ <http://www.aaos.org/AAOSNow/2014/Jul/advocacy/advocacy1/>

² <http://www.aaos.org/uploadedFiles/PreProduction/Advocacy/Federal/Issues/imaging/In%20Office%20MRI%20and%20MRI%20Volume%202015.pdf>

³ <http://www.ama-assn.org/ama/pub/advocacy/topics/in-office-ancillary-services-exception.page>