



ALLIANCE FOR INTEGRITY IN MEDICARE

September 18, 2019

PARTNERS IN THE COALITION



Richard Neal, Chair
Kevin Brady, Ranking Member
Ways & Means Committee

Frank Pallone, Chair
Greg Walden, Ranking Member
Energy & Commerce Committee

Lloyd Doggett, Chair
Devin Nunes, Ranking Member
Ways & Means Health Subcommittee

Anna Eshoo, Chair
Michael Burgess, Ranking Member
Energy & Commerce Health Subcommittee

Dear Chairs and Ranking Members:



On behalf of the members of the Alliance for Integrity in Medicare (AIM)—a broad coalition of medical specialty, rehabilitation therapy, laboratory, pathology, radiation oncology, and medical imaging groups committed to ending the practice of inappropriate physician self-referral—we write asking for committee action on The Promoting Integrity in Medicare Act (PIMA), H.R.2143.



AIM strongly supports PIMA, which protects the integrity of the Medicare program by addressing current and 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 (IOAS) exception under the Medicare self-referral law, PIMA will realign provider incentives, which is in the best interests of Medicare beneficiaries, taxpayers, and the American health care system overall.



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. However, the current use of this exception goes well beyond its 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. Additionally, based on numerous Government Accountability Office (GAO) and peer-reviewed studies that continue to mount, abuse of the IOAS exception has led to significant overutilization of these services.



As a solution, we fully support the enactment of The Promoting Integrity in Medicare Act of 2019, as it reflects the findings of the GAO, the Office of the Inspector General of the U.S. Department of Health and Human Services, academic studies, and 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. Notably, if PIMA is enacted, the Medicare program will save \$3.3 billion, as scored by the Congressional Budget Office in 2017. At the same time, enacting this legislation will preserve the ability of all providers to render the highest-quality, safest, and most appropriate care to all patients.

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, without a legislative fix improper self-referral will continue to occur. The IOAS exception in its current form only bolsters the continuation of questionable utilization patterns of these services in fee-for-service Medicare, and conflicts with the goals of coordinated care and value-based payment models. Alternative payment models (APMs) will not be successful if overutilization continues to be incentivized in the Medicare program. To further encourage physician participation in APMs, we recommend removing advanced diagnostic imaging, anatomic pathology, physical therapy, and radiation therapy services from the list of designed health services protected under the IOAS exception.

By ensuring that only physicians participating in approved APMs and other truly integrated medical groups focusing on quality can self-refer under the IOAS exception, PIMA will root out abuse in the fee-for-service system while accelerating participation in APMs. Such efforts will further the goals of higher-quality health care at lower cost, resulting in better outcomes.

AIM asks for your leadership and support of this important issue, 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 Clinical Pathology
American Society for Radiation Oncology
College of American Pathologists
Private Practice Section of the American Physical Therapy 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 Association for Quality Imaging (AQI), the American Society for Radiation Oncology (ASTRO), the American Society for Clinical Pathology (ASCP), and the College of American Pathologists (CAP), Private Practice Section of the American Physical Therapy Association (PPS).