

## Private Practice Physical Therapists

*Small business professionals restoring function to America - one patient at a time.*

### CURBING WASTE and ABUSE IN MEDICARE

**RECOMMENDATION:** The Private Practice Section (PPS) of the American Physical Therapy Association urges Congress to pass **H.R. 2143**, the *Promoting Integrity in Medicare Act*, to remove physical therapy from the in-office ancillary services exception of the prohibition on physician self-referral.

#### BACKGROUND:

Current law bars physicians from referring Medicare patients to certain health care services or providers in which they have a financial interest, with certain exceptions. The “in-office ancillary services exception” (IOASE) to the Stark Law was originally created to allow physicians to render non-complex services like x-rays and simple blood tests in their offices during the same patient office visit. The exception was never intended to include complex and costly advanced imaging services, physical therapy, radiation therapy, or biopsy testing—services rarely provided at the time of the patient’s initial office visit.

GAO’s June 2014 “Medicare Physical Therapy: Self-Referring Providers Generally Referred More Beneficiaries but Fewer Services per Beneficiary” (GAO-14-270) revealed that patients who were self-referred by family practice providers and internal medicine providers received more passive treatment (palliative modalities such as ultrasound, electrical stimulation, and massage) and less hands-on care (such as evaluation, therapeutic exercise, and gait training), the latter of which is more indicative of appropriateness of PT for restoring a patient’s functional ability. The GAO also found that once physicians become financially involved with physical therapy services their referral frequency dramatically increases, by as much as 33 percent. This demonstrates capitulation to the perverse incentive of physician ownership of PT practices. GAO expressed concern that in these instances not all PT services may be medically necessary.

#### PROTECT PATIENT CHOICE WHILE SAVING MEDICARE DOLLARS:

The *Promoting Integrity in Medicare Act* restores the original intent of the self-referral law by prohibiting self-referral for four complex services which are not typically performed at the time of the patient’s initial office visit. This legislation curtails the expansive use of the IOASE because it undercuts the original purpose of the law, is harmful to some patients, and wastes billions of dollars in taxpayer funds. H.R.2143 will ensure that incentives driving medical decisions are based solely on patients’ best interests, thereby reducing unnecessary and inappropriate services and costs to Medicare. Furthermore, this bill will also strengthen provisions in the law that maintains access to care for rural Medicare patients.

**PPS is gravely concerned about increased spending, unnecessary and inappropriate use of physical therapy services, and potentially compromised patient choice associated with the misapplication of the IOASE.** PPS joins APTA and all members of the Alliance for Integrity in Medicare (AIM), a consortium of organizations\*, in advocating for Congress to pass legislation to remove physical therapy from the in-office ancillary services exception.

To cosponsor **H.R.2143**, contact Molly Fishman ([molly.fishman@mail.house.gov](mailto:molly.fishman@mail.house.gov)) in Representative Jackie Speier’s office.

\* The Alliance for Integrity in Medicare (AIM)

- 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