Physician Self-Referral: Recent Research from the Government Accountability Office (GAO)

James C. Cosgrove, Ph.D.
Self-Referral: Background

• Physician self-referral occurs when providers refer patients to entities in which they or family members have a financial relationship.

• The Stark law prohibits physician self-referral for certain designated health services paid for by Medicare unless certain exceptions—such as the in-office ancillary services exception—are met.
GAO’s Recent Research on Self-Referral

• Advanced Imaging (GAO-12-966)

• Anatomic Pathology (AP) (GAO-13-445)

• Intensity-Modulated Radiation Therapy (IMRT) (GAO-13-525)

• Physical Therapy (PT) (GAO-14-270)

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Self-Referral of Advanced Imaging Services
Self-Referral of Advanced Imaging Services: Scope

• Examined Medicare fee-for-service (FFS) data from 2004-2010.

• Focused on advanced imaging services—CTs and MRIs.

• Classified self-referral based on the performance of an imaging service (i.e., the “technical component”), not the interpretation.
Self-Referral of Advanced Imaging Services: Highlights

- Number of self-referred MRIs and CTs performed grew relatively faster than number of non-self-referred MRIs and CTs, 2004-2010.

- In 2010, self-referring providers referred 1.4 to 2.4 times as many MRIs or CTs compared to non-self-referring providers, depending on practice size.

- Differences not explained by specialty, practice size, geography, or patient characteristics (i.e., age, gender, and health status).
Self-Referral of Advanced Imaging Services: Highlights

• Providers who began to self-refer in 2009 increased their:
  • MRI referrals by 67.3% from 2008 to 2010
  • CT referrals by 66.7% from 2008 to 2010

• Referrals declined slightly among providers who did not begin to self-refer.
Self-Referral of Advanced Imaging Services: Highlights

If self-referring providers referred MRI and CT services in 2010 at the same rate as non-self-referring providers of the same practice size and specialty:

- 143,303 fewer MRIs
- 283,725 fewer CTs
- $109 million in Medicare savings
Self-Referral of Anatomic Pathology Services
Self-Referral of Anatomic Pathology Services: Scope

• Examined Medicare FFS data from 2004-2010.

• Studied HCPCS code 88305 (AP services related to examination of biopsy tissue), which represented about 2/3 of Medicare FFS AP expenditures in 2010.

• The unit of service for HCPS code 88305 is the specimen, which includes one or more tissue samples obtained during a biopsy.

• Focused on urology, dermatology, and gastroenterology (represented about 90% of self-referred AP services in 2010).
Self-Referral of Anatomic Pathology Services: Highlights

• Number of self-referred AP services provided grew relatively faster than non-self-referred AP services, 2004-2010.

• In 2010, self-referring providers referred 18% to 56% more AP services than non-self-referring providers, depending on specialty and practice size.

• Differences generally not explained by practice size, patient diagnoses, geography, or patient characteristics (i.e., age, gender, and health status).
Self-Referral of Anatomic Pathology Services: Highlights

• Providers who **began** to self-refer in 2009 increased their AP referrals from 2008 to 2010 by:
  • 58.5% (Urologists)
  • 23.8% (Dermatologists)
  • 14.0% (Gastroenterologists)

• Providers who did not begin to self-refer changed their referrals by -0.2% to 11.6%, depending on provider specialty.
If self-referring providers performed biopsy procedures at the same rate as and referred the same number of services per biopsy procedure in 2010 as non-self-referring providers of the same practice size and specialty:

- 918,000 fewer AP services
- $69 million in Medicare savings
Physician Self-Referral of IMRT Services
Physician Self-Referral of IMRT Services: Scope

• Examined Medicare FFS data from 2006-2010.

• Trend analysis focused on prostate cancer–related IMRT.

• Examined IMRT and other treatments for prostate cancer to study changes in referral patterns due to self-referral.
Physician Self-Referral of IMRT Services: Highlights

Number of Medicare Prostate Cancer–Related IMRT Services Performed by Self-Referring and Non-Self-Referring Groups in Physician Offices, 2006-2010

Number of prostate cancer–related IMRT services

Source: GAO analysis of CMS data
Physician Self-Referral of IMRT Services: Highlights

Number of Medicare Prostate Cancer–Related IMRT Services Performed by Limited-Specialty and Multispecialty Self-Referring Groups, 2006-2010

Number of prostate cancer–related IMRT services

Source: GAO analysis of CMS data
## Physician Self-Referral of IMRT Services: Highlights

Percentage more or less likely self-referring providers were to refer patients for a given treatment compared to non-self-referring providers

<table>
<thead>
<tr>
<th>Prostate cancer treatment</th>
<th>Percentage more or less likely to refer</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMRT</td>
<td>53.5</td>
</tr>
<tr>
<td>Active surveillance</td>
<td>-8.2</td>
</tr>
<tr>
<td>Radical prostatectomy</td>
<td>-27.0</td>
</tr>
<tr>
<td>Hormone therapy only</td>
<td>-32.9</td>
</tr>
<tr>
<td>Brachytherapy</td>
<td>-50.0</td>
</tr>
<tr>
<td>Other treatments(^a)</td>
<td>-46.5</td>
</tr>
<tr>
<td>3D-CRT / other EBRT</td>
<td>-55.2</td>
</tr>
</tbody>
</table>

\(^a\)“Other treatments” consists of cryoablation, stereotactic body radiotherapy / stereotactic radiosurgery, and proton therapy.

Source: GAO analysis of CMS data
Physician Self-Referral of IMRT Services: Highlights

Percentage of Men Referred for IMRT by Non-Self-Referring and Two Types of Self-Referring Providers among Beneficiaries Diagnosed with Prostate Cancer in 2007 or 2009

Source: GAO analysis of CMS data
Physician Self-Referral of IMRT Services: Highlights

Differences in the percentage of prostate cancer patients referred for IMRT between self-referring and non-self-referring providers persisted after accounting for differences in:

• Age
• Geographic location
• Beneficiary health
Physician Self-Referral of IMRT Services: Highlights

Change in the Percentage of Medicare Prostate Cancer Patients Providers Referred for IMRT after a Diagnosis of Prostate Cancer in 2007 or 2009

Source: GAO analysis of CMS data
Self-Referral of Physical Therapy Services
Self-Referral of Physical Therapy Services: Scope

• Examined Medicare FFS data from 2004-2010.

• Examined three measures of PT referral:
  1. Number of PT services referred
  2. Number of beneficiaries referred
  3. Number of PT services provided per beneficiary

• Focused on Family Practice, Internal Medicine, and Orthopedic Surgery (represented nearly 75% of PT services in 2010).
Self-Referral of Physical Therapy Services: Highlights

Trends in Number of Self-Selected and Non-Self-Selected Physical Therapy Services per 1,000 Medicare Fee-For-Service Beneficiaries, 2004-2010

Source: GAO analysis of CMS data.
Self-Referral of Physical Therapy Services: Highlights

• Overall relationship between provider referral status and average PT services referred in 2010 was mixed and varied on the basis of referring provider specialty, Medicare beneficiary practice size, and geography.

• Self-referring providers generally referred more beneficiaries but fewer services per beneficiary in 2010 than non-self-referring providers.
Self-Referral: GAO Recommendations

GAO recommendations to CMS include:

• Insert a self-referral flag on its Medicare Part B claims form;

• Ensure the appropriateness of advanced imaging services and biopsy procedures referred by self-referring providers; and

• For anatomic pathology services, limit the financial incentives associated with referring a higher number of specimens per biopsy procedure.