

IN-OFFICE ANCILLARY SERVICES EXCEPTION (IOASE)

Preserve the IOASE Exception to the “Stark” Law

REQUEST

U.S. Urologists urge Congress to **protect patient access to appropriate use of in-office ancillary services**, which typically provide the fastest, most convenient, and often the most reliable results used by treating physicians for quick diagnosis and prompt treatment. Urology urges Congress to view any proposal promising simple solutions to increased diagnostic imaging costs with great skepticism. The timely provision of needed ancillary services often prevents unnecessary treatment and associated expenses. Reducing healthcare costs is a priority for physicians and patients alike, but restricting patient access to treatment options is not the answer.

BACKGROUND

The in-office ancillary services exception (IOASE) to federal self-referral regulations (the “Stark law”), allows physician practices to provide critical services including radiation therapy, diagnostic imaging, pathology and physical therapy in an integrated and coordinated fashion within their respective practices.

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 that assist physicians in delivering the most appropriate care. The Congress and the U.S. Department of Health and Human Services (HHS) have heavily regulated the provision of such services through the “Stark law” and elsewhere. Physicians and group practices relying on this exception must meet complex billing, supervision, and location requirements.

RATIONALE

Repeal of the IOASE provision for radiation, advanced imaging, anatomic pathology and physical therapy would make it illegal for physician practices to integrate these ancillary services into their practices and ultimately force more patients to receive these services in a hospital setting, thereby reducing access and increasing costs. **Shifting patients to less convenient, more expensive sites of service is not a solution.** The focus should be on delivering high-quality, cost-effective care – not on where that care is delivered.

In its June 2011 Report to Congress, the Medicare Payment Advisory Commission (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.”¹

While some may suggest that eliminating the IOASE might save Medicare money by eliminating over-use, there is no data that establishes a firm link between in-office ancillaries and physician over-utilization. Limiting the services that qualify for the IOASE undermines a physician’s medical judgment and has the potential to create serious, unintended consequences, including jeopardizing patient care. Compliance with follow-up care falls off dramatically when a patient needs to schedule follow-up tests and treatments with a second medical provider; this potential non-compliance could result in higher costs for the Medicare program through delayed or missed diagnoses and treatment, compromising care.

¹ http://www.medpac.gov/documents/jun11_entirereport.pdf