

116th Congress: H.R. 2143, Promoting Integrity in Medicare Act (PIMA)

Congresswoman Jackie Speier (CA-14)

- H.R. 2143 will provide billions of dollars in savings to Medicare by closing the “In-Office Ancillary Services” (IOAS) exception loophole in the Stark Law that allows physicians to refer certain services in which they have a financial interest.
- In FY17, the President’s budget included Congresswoman Speier’s bill giving it a savings score of \$4.98 billion over 10 years for the removal of four services from the IOAS exception.
- CBO’s analysis of the President’s FY17 budget included savings for closing the IOAS loophole of \$3.3 billion over 10 years.
- H.R. 2143 removes the following 4 services from the IOAS exception to the Stark Law: anatomic pathology, radiation therapy, advanced imaging, and physical therapy.
- The bill will save Medicare billions of dollars and actually benefit patient care.
- H.R. 2143 is supported by The Alliance for Integrity in Medicare (AIM), which is comprised of 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), the College of American Pathologists (CAP), and the Private Practice Section of the American Physical Therapy Association.

Background:

- Current law bars physicians from referring Medicare patients for certain health care services in which they have a financial interest, with certain in-office exceptions.
- The IOAS exception to the Stark Law was originally created so that physicians could render non-complex services like X-Rays and simple blood tests within their offices at the same time as the patient’s visit.
- It was never intended to include complex and costly advanced imaging services, radiation therapy, physical therapy or biopsy testing -- services that are rarely provided at the time of the patient’s initial office visit.
- Recent GAO reports and independent researchers have unequivocally documented how this exception has created perverse incentives and led to serious overutilization, costing Medicare hundreds of millions each year in unnecessary services.