

December 16, 2011

The Honorable Pete Stark  
Ranking Member, House Ways and Means Subcommittee on Health  
1106 Longworth House Office Building  
Washington, DC 20515

Dear Ranking Member Stark,

The undersigned organizations urge your opposition to proposed legislation, the Promoting Integrity in Medicare Act (PIMA) of 2011, being circulated by a small coalition to restrict the provision of ancillary services in medical group practices through amendment of the Ethics in Patient Referrals Act (the “Stark” law). Our organizations seek to protect Medicare beneficiaries and taxpayers alike by providing high quality, ethical care in a setting that benefits the patient and facilitates care coordination. Rather than advancing quality of care or improving the integrity of the Medicare program, this proposed legislation is a transparent attempt to pursue individual, narrow financial interests. The net result of this legislation would be a negative impact on group practices across the country, including some of the nation’s most well-respected healthcare institutions.

Ancillary services are a vital component of the diagnostic and treatment regimes utilized in medical group practices, and curbing their use beyond the restrictions that are currently in place would have a chilling effect on the care delivery system in much of the country.

Some of the iterations of this proposed legislation have attempted to include an exception to carve out multi-specialty groups from the restrictions. This exception, however, would fail to meet its stated goal because its qualifications are so narrowly drawn as to effectively exclude almost all those it purports to shield. The exception criteria are flawed beyond repair.

The proposed legislation would negatively affect the ability of high quality providers to coordinate and manage the care of their patients. These are basic and essential tools, used on a daily basis by group practices. If this proposal were enacted, patients would be forced to receive ancillary services outside their current care delivery system, losing the advantages inherent in a medical group: use of a uniform medical record contained in an EMR system; care management protocols incorporating evidence-based medicine; receiving care from a team of providers that can ‘talk’ to each other. In its most recent Report to Congress, MedPAC recommended against limiting the Stark law exception for ancillary services at this time, citing potential “unintended consequences, such as inhibiting the development of organizations that integrate and coordinate care within a physician practice.” For Congress to advance the interests of certain specialties over the

ability of all medical group practices to provide the full range of patient care, without respect to patient care needs, sets a very dangerous precedent.

Additionally, as we find ourselves on the cusp of the national implementation of the Medicare Shared Savings Program (Accountable Care Organizations, ACOs), the enactment of PIMA would have unintended consequences such as the dampening of contract innovations and the resulting reduced flexibility needed for ACOs to function and thrive. This would be a serious misstep that could jeopardize the success of ACOs.

Rather than reduce expenditures to the Medicare program, we believe this proposal would simply redistribute payments to its purveyors at the expense of patient care. We understand and appreciate the many pressures that Congress is under to curb federal spending – both mandatory and discretionary – but urge you to reject this short-sighted proposal.

Sincerely,

American Academy of Dermatology Association  
American Academy of Neurology  
American Academy of Ophthalmology  
American Association of Clinical Urologists  
American Association of Neurological Surgeons  
American Association of Neuromuscular & Electrodiagnostic Medicine  
American Association of Orthopaedic Surgeons  
American College of Cardiology  
American College of Rheumatology  
American College of Surgeons  
American Gastroenterological Association  
American Medical Group Association  
American Society of Echocardiography  
American Society of Neuroimaging  
American Society of Nuclear Cardiology  
American Urological Association  
Cardiology Advocacy Alliance  
Large Urology Group Practice Association  
Society for Cardiovascular Angiography and Interventions

cc: The Honorable Max Baucus  
The Honorable Orrin G. Hatch  
The Honorable Dave Camp  
The Honorable Sander M. Levin  
The Honorable Wally Herger  
The Honorable Fred Upton  
The Honorable Henry A. Waxman  
The Honorable Joe Pitts  
The Honorable Frank Pallone, Jr.