

2020 Issue Brief

Stark Law Reform and Preserving Access to Diagnostic Imaging Services in a Medical Group Setting

Issue

Federal legislation and regulations governing physician self-referral, collectively termed the “Stark Law,” were intended to prevent financial conflicts of interest around physician self-referrals in Medicare’s fee-for-service (FFS) settings. As Medicare transitions to value-based arrangements, the need for these protections and related self-referral and anti-kickback regulations lessen, as incentives to over-utilize healthcare services diminish.

Participants in the federal Accountable Care Organization (ACO) program often must receive several fraud and abuse waivers since the financial incentives push providers to improve the continuity, coordination, and continuum of care for assigned ACO beneficiaries. The Stark law’s prohibitions, which were drafted over 30 years ago, impede the relationships necessary to address overuse of services. The Stark Law was drafted to address volume of service increases in FFS Medicare. It has virtually no application in value models, which incentivize appropriate use of services.

In-Office Ancillary Services Exception

The in-office ancillary services (IOAS) exception within the Stark physician self-referral law allows AMGA members to provide high quality, advanced diagnostic imaging services to Medicare beneficiaries. However, there have been proposals that would eliminate advanced diagnostic imaging services from the IOAS exception, effectively prohibiting efficient healthcare delivery systems from providing these services to patients.

If the IOAS exception is repealed, patients would be forced to receive these services outside of their usual healthcare system – losing fundamental advantages such as:

- Use of a uniform medical record contained in an electronic medical record system;
- Care management protocols incorporating evidence-based medicine; and
- Care from a team of providers that interact and collaborate with each other in formulating a plan that will best serve the patient.

AMGA members devote considerable resources to determining the proper usage of advanced diagnostic imaging services, including the utilization of decision-support tools to ensure that clinical decision-making is supported by evidence before ordering advanced diagnostic imaging.

Legislative proposals that would eliminate or narrow the scope of the IOAS exception would negatively impact the ability of high-quality providers to coordinate and manage the care of their patients. Furthermore, patients who live in rural or underserved areas could be inconvenienced or postpone care by traveling long distances to access these imaging services if they could not obtain them where they are usually treated.

AMGA Asks Congress to:

Physician Self-Referral (Stark Law) Reform: Policymakers should update the Stark Law to account for changes in care models that have led to more integrated care delivery.

Preserve the IOAS Exception: Protect Medicare beneficiary access to advanced diagnostic imaging services by opposing any legislative effort that would eliminate or limit the ability of AMGA members to provide advanced diagnostic imaging services to Medicare beneficiaries in their facilities.