

August 6, 1999

The Honorable Neil Abercombie  
U.S. House of Representatives  
1502 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Abercombie:

On behalf of the American College of Physicians-American Society of Internal Medicine (ACP-ASIM), the nation's largest medical specialty society, representing over 115,000 physicians who specialize in internal medicine and medical students, I urge you to cosponsor the Physician Self-Referral Amendments of 1999, H.R. 2651. ACP-ASIM supports this bill, introduced last week by Congressman Bill Thomas, as it would make a number of needed revisions to Medicare's "Stark law" prohibitions on physician referrals. The bill would go a long way toward removing the obstacles this complex law and its attendant regulations have placed on internists' delivery of efficient, cost-effective health care. The College has long recognized the need for clarification and simplification of the self-referral law and appreciates Congress' consideration of legislation to achieve this important goal.

By substituting a requirement of "general supervision" for that of "direct supervision" in current law, the Physician Self-Referral Amendments of 1999 would eliminate the need for physicians to always be physically present while their staff performs laboratory tests. This requirement is unreasonable and unnecessary as physicians already assume legal responsibility for all work performed in their office labs. When physicians are required to spend their days supervising the work of their trained technicians, they are hard pressed to find time to see patients and make hospital rounds. A general supervision requirement would also make it easier for solo practitioners or physicians in small groups to share equipment, rental space and personnel in order to control their overhead costs while providing access to necessary services for their patients.

ACP-ASIM also applauds the inclusion in H.R. 2651 of the repeal of the prohibition on referrals based on compensation arrangements. This especially complex area of current law interferes with the ability of physicians in group practices to distribute income from ancillary services as they see fit. Instead, for example, payments to individual group members which are made on the basis of the volume or value of that individual member's referrals are prohibited.

Another important provision of the bill is the change it would make in the definition of a group practice. This is needed to clarify that independent contractors may supervise the provision of in office ancillary services.

Finally, the bill would specify that none of the Stark II provisions become effective until the Secretary of Health and Human Services promulgates final regulations. Although the law was enacted in 1993, final regulations implementing Stark II still have not been

issued and are not expected until the middle of the year 2000 at the earliest. The availability of regulations is crucial as physicians often have difficulty understanding what is required under this complex law.

Thank you, Congressman Abercrombie for your consideration of this request. We are hopeful that you will add your name to the list of cosponsors of this important measure to improve Medicare law on physician referrals.

Sincerely,

Alan R. Nelson, MD, FACP  
Associate Executive Vice President