

President Obama's 2016 Budget Threatens Access to Low Cost, High Quality Health Care

WASHINGTON, Feb. 3, 2015 /PRNewswire-USNewswire/ -- By calling for the elimination of the in-office ancillary services exception (IOASE), President Obama's 2016 federal budget would increase health care costs by forcing health care to the more expensive hospital setting, said LUGPA, a trade association representing independent integrated urology practices.

"The proposed savings in the President's budget from eliminating the IOASE simply don't exist; they are based on inaccurate assumptions that fail to account for the lower cost of services in physicians' offices," said Dr. Gary Kirsh, LUGPA's president.

Over the past several years, hospitals have rapidly acquired thousands of physician practices nationwide establishing market share control in many U.S. communities. The Medicare Payment Advisory Commission (MedPAC) notes that Medicare reimbursement to hospitals is much greater and in some cases two to three times the reimbursement received by physician offices for precisely the same service. Recently, [a study published in the Journal of the American Medical Association](#) found that acquisition of physician practices by hospital systems increased health care costs by 19.8% when compared to independent physician practices.

Moreover, LUGPA notes that the provisions affecting integrated medicine in the independent setting contained in the President's 2016 budget are at direct odds with the Administration's recent announcement that it wants to tie 50 percent of fee-for-service Medicare reimbursements to alternative, quality-based payment methods by the end of 2018.

"For risk sharing arrangements [it has been clearly shown](#) that spending on physician and ancillary services is lower in independent medical practices when compared to hospitals. For radiation therapy, chemotherapy and other Part B drugs, hospitals are as much as 36 percent more expensive than independent groups," said [Dr. Deepak Kapoor](#), LUGPA's chairman of health policy. "If the goal is to manage health care expenditures and reward quality instead of volume, eliminating the most efficient site of service simply makes no sense," continued Kapoor. "Instead of repealing the IOASE, we should nurture risk sharing by independent medical practices, preserving the important competitive counterweight to care provided in the more expensive hospital setting."

Not only is repeal of the IOASE fiscally unwise, this proposal is opposed by both legislators and physician groups. In 2014, the Senate and House physician caucuses both joined 31 medical societies supporting the IOASE. Importantly, in their reports to Congress, neither the Government Accountability Office nor [MedPAC recommended](#) elimination of the IOASE.

"LUGPA looks forward to working with state and federal policymakers to support the health care provider model as well as patients' right to choose comprehensive, integrated and high quality care at the site of their own choosing," said Kirsh.

LUGPA represents urology group practices in the United States, with more than 2,200 physicians who make up more than 25 percent of the nation's practicing urologists. LUGPA and its member practices are committed to best practices, research, data collection and benchmarking to promote quality clinical outcomes. For more information, visit lugpa.org.

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