



Maryland
Hospital Association

PHYSICIAN SELF-REFERRAL THE GOLD STANDARD IN PROTECTING PATIENTS

THE ISSUE

“First, do no harm.”

Here in Maryland, this principle is kept intact, at least in part, by a law designed to protect patients by preventing physicians from making health care decisions based on their own financial interests rather than the interests of their patients. The law prevents physicians from “self-referring” – referring their patients to facilities in which the physician has an ownership interest. Maryland’s law is among the strongest in the nation, and is considered a paragon among the laws that create an impenetrable wall between financially-driven and clinically-based medical decisions.

In other words, the physician ownership and investment prohibitions in Maryland’s self-referral law make it so that decisions about a patient’s care are made *solely* based on their needs, not on a physician’s financial interest.

Decades of studies demonstrate a clear link between physician ownership and overuse of health services. According to the *New England Journal of Medicine*, radiation therapy by self-referring urologists more than doubled, from 13.1 percent to 32.3 percent, compared to non-self-referring urologists.

Some propose to open the door to allow physicians to refer patients for care to facilities in which they have an ownership or investment interest. But efforts to water down Maryland’s effective and long-standing patient protection law will increase the use and total cost of health care, and undermine Maryland’s All-Payer model agreement with the federal government, which requires that health care costs and use be held in check. That agreement brings an estimated \$2 billion in federal funds to Maryland annually.

WHAT HOSPITALS ARE FOR

Reject any attempts to weaken the ownership and investment provisions of Maryland’s patient protection law, which prevents a physician from referring patients for services in which the physician has an ownership interest.

