GAO Highlights

Highlights of GAO-13-525, a report to congressional requesters

July 2013

MEDICARE

Higher Use of Costly Prostate Cancer Treatment by Providers Who Self-Refer Warrants Scrutiny

Why GAO Did This Study

Questions have been raised about self-referral's role in Medicare Part B expenditures' rapid growth. Self-referral occurs when a provider refers patients to entities in which the provider or the provider's family members have a financial interest. Services that can be self-referred under certain circumstances include IMRT, a common and costly treatment for prostate cancer. GAO was asked to examine Medicare self-referral trends among radiation oncology services. This report examines (1) trends in the number of and expenditures for prostate cancer-related IMRT services provided by self-referring and non-self-referring provider groups from 2006 through 2010 and (2) how the percentage of prostate cancer patients referred for IMRT may differ on the basis of whether providers self-refer. GAO analyzed Medicare Part B claims and developed a claims-based methodology to identify self-referring groups and providers. GAO also interviewed officials from the Centers for Medicare & Medicaid Services (CMS), which administers Medicare, and other stakeholders.

What GAO Recommends

Congress should consider directing the Secretary of Health and Human Services, whose agency oversees CMS, to require providers to disclose their financial interests in IMRT to their patients. GAO also recommends that CMS identify and monitor self-referral of IMRT services. HHS disagreed with GAO's recommendation. Given the magnitude of GAO's findings, GAO maintains CMS should identify and monitor self-referral of IMRT services.

View GAO-13-525. For more information, contact James C. Cosgrove at (202) 512-7114 or cosgrovej@gao.gov.

What GAO Found

The number of Medicare prostate cancer–related intensity-modulated radiation therapy (IMRT) services performed by self-referring groups increased rapidly, while declining for non-self-referring groups from 2006 to 2010. Over this period, the number of prostate cancer–related IMRT services performed by self-referring groups increased from about 80,000 to 366,000. Consistent with that growth, expenditures associated with these services and the number of self-referring groups also increased. The growth in services performed by self-referring groups was due entirely to limited-specialty groups—groups comprised of urologists and a small number of other specialties—rather than multispecialty groups.

Providers substantially increased the percentage of their prostate cancer patients they referred for IMRT after they began to self-refer. Providers that began self-referring in 2008 or 2009—referred to as switchers—referred 54 percent of their patients who were diagnosed with prostate cancer in 2009 for IMRT, compared to 37 percent of their patients diagnosed in 2007. In contrast, providers who did not begin to self-refer—that is, non-self-referrers and providers who self-referred the entire period—experienced much smaller changes over the same period. Among all providers who referred a Medicare beneficiary diagnosed with prostate cancer in 2009, those that self-referred were 53 percent more likely to refer their patients for IMRT and less likely to refer them for other treatments, especially a radical prostatectomy or brachytherapy. Compared to IMRT, those treatments are less costly and often considered equally appropriate but have different risks and side effects. Factors such as age, geographic location, and patient health did not explain the large differences between self-referring and non-self-referring providers. These analyses suggest that financial incentives for self-referring providers—specifically those in limited specialty groups—were likely a major factor driving the increase in the percentage of prostate cancer patients referred for IMRT. Medicare providers are generally not required to disclose that they self-refer IMRT services, and the Department of Health and Human Services (HHS) lacks the authority to establish such a requirement. Thus, beneficiaries may not be aware that their provider has a financial interest in recommending IMRT over alternative treatments that may be equally effective, have different risks and side effects, and are less expensive for Medicare and beneficiaries.

Change in the Percentage of Medicare Prostate Cancer Patients Providers Referred for IMRT after a Diagnosis of Prostate Cancer in 2007 or 2009

Type of provider	Percentage of providers' patients referred for IMRT among beneficiaries diagnosed in 2007	Percentage of providers' patients referred for IMRT among beneficiaries diagnosed in 2009	Percentage point change from 2007 to 2009	Percentage more or less likely providers were to refer patients for IMRT in 2009 compared to 2007
Switchers	37.0%	54.2%	17.2	46.6%
Non-self-referrers	31.4	33.1	1.7	5.5
Self-referrers	55.7	52.9	-2.8	-5.1

Source: GAO analysis of CMS data.

Note: Switchers did not self-refer in 2006 or 2007 but began to self-refer in either 2008 or 2009. The percentage by which providers were more or less likely to refer patients for IMRT in 2009 compared to 2007 is equivalent to the percentage point change from 2007 to 2009 divided by the percentage of providers' patients referred for IMRT among beneficiaries diagnosed in 2007.

United States Government Accountability Office