



Testimony of the Radiological Society of Connecticut (RSC)
Senate Bill 361
Public Health Committee
February 27, 2013

Senator Gerratana, Representative Johnson and Distinguished Members of the Public Health Committee:

My name is Dr. Marc Glickstein. I am a Radiologist and a senior member of Jefferson Radiology Group, PC, a large private practice radiology group in the greater Hartford area providing diagnostic imaging services to multiple hospitals and outpatient imaging centers. I am also a past president of the Radiological Society of Connecticut.

I am testifying in opposition to Senate Bill 361.

This bill would eliminate the certificate of need process in the state of Connecticut, a piece of legislation that has been in place since the 1980s.

The CON process has effectively maintained appropriate utilization of expensive imaging services in the state of Connecticut.

It is important to realize some of the history behind CON legislation.

The federal government in the 1980s enacted the Stark Legislation which prohibited physician ownership in imaging centers in which they held a personal financial interest. The government recognized at that time that there was a self-serving interest in utilization of such services when a financial benefit accrued to physicians who referred patients for expensive testing in facilities from which they derived a profit.

However, a loophole was established at that time for so-called ancillary services. This is referred to as the in office ancillary service exemption (IOASE).

At the time, this allowed physicians to provide low-level services to their patients in the name of convenience and expediency. However, what was not appreciated at the time was that high intensity and high expense modalities such as CT, PET scanning, and MRI would one day be feasible for in office use. At the time the legislation was originally enacted, such modalities were far beyond the ability of any individual or small group to establish within their own offices.

Similar to the dramatic advances in computing power and now enables a smart phone to contain more capabilities than the entire NASA Apollo program, such high expense items can now be sited in private offices. This was certainly not the intent of the law at the time it was originally enacted.

Numerous studies and articles in the medical literature and lay press have documented the excessive overutilization of high expense procedures when there is a monetary self interest in ordering such tests.

Multiple reports have documented increased utilization on the order of 4 to 9 times in situations where physicians have a financial self interest in obtaining such imaging services. This is known as self referral.

A recent Federal Government Accounting Office (GAO) report, entitled "Higher Use of Advanced Imaging Services by Providers Who Self-Refer Costing Medicare Millions," found that physician self-referrals for advanced imaging are rapidly increasing and cost Medicare more than \$100 million in 2010.

With this controversial practice, a physician orders a test on a patient that is performed by him- or herself or by another physician or facility with whom the ordering physician has financial ties.

This highlighted that self-referral is a conflict of interest and that physicians are ordering more tests than they would if they did not have that financial stake, which exposes more patients to unnecessary radiation.

This study focused on magnetic resonance imaging (MRI) and computed tomography (CT) scans from 2004-2010. It found that the number of self-referred MRI services shot up by more than 80% compared with a 12% increase for non-self-referred MRI services.

The Wall Street Journal reported in 2006 that ... "studies have shown that doctors with a financial interest in big-ticket machines for magnetic resonance imaging or other tests are more likely to order those tests."

US Senator Max Baucus in 2010, commenting on a proposal for health care reform, stated that "Physicians, like most professionals, expect to get paid for the work that they perform. Some physicians, however, have found a way to game the system so that, in addition to getting paid, they reap additional financial benefits from the provision of certain health care services. Physicians can accomplish this by having ownership or other financial interests in equipment or facilities - such as an MRI machine or a hospital - that provide health services. When those physicians refer their patients for services from which the physician reaps the additional financial benefits - a practice known as self-referral - there is reason to be concerned about the physician's motives."

In this era of great concern over budget deficits, increasing expenditures for healthcare, and ability to provide healthcare services to the general population, it is distinctly contrary to the public interest to remove the ordered and rational distribution of imaging services as has been the case under the CON legislation in the state of Connecticut under the purview of the office of healthcare access (OHCA).

Connecticut is among the states with the lowest per capita utilization of high expense imaging services and is surrounded by states without CON legislation who utilize such services at a much higher level.

Maryland, as an example, has enacted legislation that would prohibit any non-radiology practice from having CT or MRI services in their offices.

This is because of their recognition of the significantly increased utilization in a self referral setting.

Other states have also attempted to enact such anti self referral legislation.

You will no doubt hear claims from other specialties that in office services increase patient access and convenience, but please be aware that the Maryland legislature looked carefully at this issue and determined that such services are rarely performed on the same day and that they need to be scheduled well in advance, which precludes any credibility of such arguments.

In conclusion, eliminating the well thought out CON guidelines that have helped to ensure appropriate access and rational utilization for the citizens of the state of Connecticut would potentially cause significant increases in healthcare costs, increase inappropriate utilization, and decrease the ability to provide necessary services to patients in the state of Connecticut.

I respectfully urge you to not support Senate Bill 361.

Respectfully Submitted,

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