

Does physician investment in facilities and ancillary services lead to higher volume?

ISSUE: In recent years, there has been growth in ancillary services provided in physician offices (such as diagnostic tests and physical therapy) and an increase in physician-owned facilities (such as ambulatory surgical centers and specialty hospitals). Although the rise in physician-owned facilities and in-office ancillary services may improve access and convenience for patients, it might also lead to higher volume of services through additional capacity and financial incentives to refer patients for more services.

KEY POINTS: In this session, we will examine the literature on the relationship between physician ownership and volume. We will also describe the work plan for a study to investigate whether physicians' financial incentives are related to increased use of imaging services.

ACTION: Commissioners should provide feedback to staff on the content and tone of this paper and the work plan.

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