

ACCESS TO MEDICAL IMAGING COALITION

ISSUE: The House Tri-Committee health reform bill includes dramatic cuts to medical imaging payments through a substantial increase to the Medicare equipment utilization rate and lower payments for scanning contiguous parts, both of which will result in significantly lower payments for advanced diagnostic imaging services and may limit access to early, life-saving treatments and lead to the loss of thousands of manufacturing jobs.

BACKGROUND: The Deficit Reduction Act of 2005 (DRA) directed a \$13 billion reduction in payments for many imaging services under the physician fee schedule (PFS). As of January 1, 2007, if the PFS payment rate for an imaging service is higher than the rate paid under the hospital outpatient prospective payment system (OPPS), then the payment for the technical component of that service is capped at the OPPS rate for that service.

GAO Impact Analysis of DRA Cuts on Imaging Services

The Government Accountability Office reported in September 2008 that the DRA-imposed cap on imaging payments resulted in disproportionately large cuts for advanced imaging services:

- **Reduction in Spending:** GAO noted that spending for diagnostic services was reduced by 12.7 percent in 2007 after steadily rising by an average of 12.9 percent per year from 2000 to 2006—a complete reversal in the payment trend.
- **Advanced Imaging Modalities:** The hospital outpatient payment cap was applied to **65 percent** of advanced imaging modalities in 2007, as compared with 13 percent of imaging services overall.
- **MRI and CT:** Nearly all MRI and CT scans were paid at the outpatient rate in 2007. In applying the cap, payment cuts ranged from 21 to 40 percent for the three most common MRIs and from 7 to 15 percent for the three most common CTs.

Implications for Patients, Providers and Manufacturers

- **Limiting beneficiary access to critical imaging services:** Continuous reductions such as these are likely to drive imaging from the physician office and free-standing facilities back into hospital outpatient departments, thus potentially limiting Medicare beneficiaries' access to nearby services that allow for more timely diagnosis and initiation of treatment.
- **Longer wait times for Medicare patients:** On average, patients already wait 10 days to two weeks for non-urgent imaging services in the hospital outpatient department. Reduced access to imaging services in the physician's office and in free-standing imaging centers could increase these wait times dramatically.
- **Reduced access for patients in rural areas:** Beneficiaries may be forced to travel long distances for needed imaging services if providers reduce or eliminate imaging locally. In addition, physicians may choose not to invest in telemedicine equipment that allows specialists at distant locations to help interpret a patient's scan—again harming rural access.
- **Loss of thousands of manufacturing jobs:** Cuts to reimbursement rates and the associated reduction in access mean that fewer physicians will upgrade their imaging equipment, resulting in significant revenue loss and necessary layoffs for equipment manufacturers—causing further damage to our ailing economy.

SOLUTIONS

Instead of across-the-board cuts to reimbursement, Congress should pursue solutions that ensure accountability and quality in the provision of medical imaging services. Such solutions should include:

- **Health Information Technology:** Congress should continue to pursue the nationwide implementation of patient-protected health IT, expanding the electronic medical record to include patients' images and explanatory reports and creating a nationwide imaging exchange network to allow scans to be shared among providers to reduce duplication.
- **Accreditation:** Under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), providers of advanced imaging services must meet comprehensive accreditation standards by the year 2012. Accreditation will help to ensure that patients receive the right imaging services at the right time, helping to eliminate overutilization.
- **Appropriateness Criteria:** Congress should incentivize the use of expert physician-developed appropriateness guidelines, which, when combined with computerized physician order entry software, will educate physicians about ordering and performing the proper imaging studies for patients presenting with specific conditions. These technologies are used in private settings and have shown marked reduction of overutilization and misuse of advanced imaging services.