Imaging Cuts in Proposed Medicare Fee Schedule Rule Would Restrict Access to Care and Potentially Raise Costs

Washington, DC (July 4, 2011) – Significant and unwarranted medical imaging cuts in the Proposed Medicare Fee Schedule Rule for 2012, on top of extreme cuts to imaging services over the last five years, will drive many imaging providers from practice, restrict access to care, even for procedures not specifically affected by the cuts, and may actually increase Medicare costs for many of these services.

In its Proposed Rule for 2012, the Centers for Medicare and Medicaid Services called for a multiple procedure payment reduction (MPPR) of 50 percent to the " professional component" of CT, MRI and ultrasound services administered to the same patient, on the same day, in the same setting. This unprecedented step would slash the reimbursement for physician interpretation and diagnosis. Cuts have previously been applied only to the "technical component," or overhead costs of providing exams.

The proposed rule also would further expand the number of physician services at risk for bundling of payment. Although potential efficiencies in physician work may exist when multiple services are provided to the same patient during the same session, a recent study shows that these are highly variable and considerably less than policy makers contend.

" These proposed cuts are not evidence-based and simply represent blind cost-cutting. Current payments to doctors for advanced imaging interpretations are an accurate reflection of the complexity of the process and should not be arbitrarily slashed. As radiologists' interpretation of scans is vital to the diagnosis of cancer and a host of other deadly illnesses and injury, we are ethically bound to provide a thorough review of each image. The time, intensity and mental effort it takes to interpret an individual exam is relatively constant regardless of whether the patients' exams are interpreted separately or at the same session. Medicare should support such quality care and not repeatedly attempt to undermine it," said John A. Patti, MD, FACR, chair of the American College of Radiology Board of Chancellors.

This MPPR reduction and potential further bundling of payment contained in the MPFS Proposed Rule are premised on Medicare Payment Advisory Commission (MedPAC) recommendations rooted in the mistaken belief that mispricing of diagnostic imaging services has led to overutilization. Physicians who need advanced imaging exams for their patients will request as many interpretations as they need from radiologists, regardless of price.

A review of claims data by the Moran Company proves that medical imaging growth in Medicare is less than 2 percent per year — well in line with or below that of other major physician services. Growth in use of CT scans and other advanced imaging is roughly half of what it was even as little as three years ago.

Yet, medical imaging providers have endured significant and continued reimbursement cuts in recent years. The Deficit Reduction Act of 2005 cut imaging by *$1.7 billion in a single year* and the Affordable Care Act included a CBO-estimated $3 billion more in cuts to imaging. These mounting cuts have reduced payment rates for many critical diagnostic services by as much as 60 percent.

A bipartisan group of 61 Members of Congress, led by Rep. Pete Olson (R-TX) of the House Energy and Commerce Committee and Rep. Jason Altmire (D-PA) of the House Small Business Committee, signed and circulated a letter to congressional colleagues opposing the very imaging cuts recommended by MedPAC and now proposed by CMS.

The Congressmen warned colleagues that “ these payment cuts are making it extremely difficult for radiologists to keep their practices and free-standing imaging centers open for business and available to patients. Without access to these facilities, patient access to valuable community-based diagnostic imaging services could be compromised and the vast majority of imaging services may be delivered in the hospital setting, potentially at a higher cost to Medicare.”

These unnecessary cuts are not just affecting advanced imaging, but other life-saving and extending services. FDA figures prove that declines in the number of centers offering mammography and the number of mammography scanners nationwide accelerated shortly after drastic imaging cuts began. There are now 212 fewer mammography facilities and 1,131 fewer mammography scanners available to women nationwide than in July 2007.

Also, a 2009 study for the National Bureau of Economic Research showed that increased use of medical imaging is directly tied to an increase in life expectancy for Americans. And that those who had lesser access to imaging had a smaller increase in life expectancy. The study also indicated that states with larger increases in the quality of diagnostic procedures, drugs and physicians had larger increases in life expectancy, but did not have larger increases in per capita medical expenditure. Such deep and continued cuts may ultimately reverse these gains.

" These cuts are medically contraindicated. They may accelerate the damage that has already been done to patient access to care. The negative effects will be felt not only by seniors who need lifesaving imaging care in their communities, but by younger patients such as women 40 and older who want ready access to mammograms. Americans will likely have to travel farther to receive care and wait longer for appointments. As imaging care is shifted from physician offices to hospitals, the cost to Medicare will escalate. No one will be happy with the detrimental effects that these continued cuts are having on imaging providers. These proposed cuts need to be removed from the Final Rule and removed from consideration for any future legislation," said Dr. Patti.

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