

# Access to Medical Imaging Coalition

Protecting and Preserving Access to Quality Imaging Services for our Nation's Medicare Patients

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## **MedPAC Report on Medical Imaging Based on Flawed Survey and Should Be Rejected**

*Coalition of Providers, Patient Groups and Manufacturers Launches  
Comprehensive Utilization Data Collection Process*

**Washington, D.C.** – The Access to Medical Imaging Coalition (AMIC) today said that MedPAC's recent recommendation to dramatically change the formula that determines physician reimbursement rates for advanced imaging procedures is based on a deeply flawed survey that should be rejected. Specifically, MedPAC has called on the Centers for Medicare and Medicaid Services (CMS) to significantly increase the formula's assumption about the amount of time that advanced imaging equipment is used by physicians by 40 percent. AMIC also today called for a new public-private partnership with CMS for the collection of more accurate and comprehensive utilization data to better inform future recommendations.

AMIC identified several major problems with the survey MedPAC used to inform its recommendation. First, MedPAC relied on a statistically insignificant sample size of only six urban medical imaging centers, rather than a representative national sampling. Second, MedPAC surveyed only CT and MR, yet their recommendation covers imaging modalities they did not survey, such as PET and nuclear medicine. Third, the methodology MedPAC used to make its utilization assumptions does not account for the health or age of the patient – both of which are the two most important factors accounting for patient preparation time - the single biggest determinant affecting the length of an imaging appointment, and ultimately utilization rates. Older and less healthy patients require longer preparation and examination time, which is highly relevant when talking about the Medicare population.

“MedPAC’s survey doesn’t hold water,” said Tim Trysla, executive director of AMIC. “It’s astonishing that MedPAC only surveyed two imaging modalities in six cities instead of a true national survey that includes imaging services in rural America. Even MedPAC staff has acknowledged that Congress should provide CMS with adequate resources and flexibility to improve the accuracy of what Medicare pays. AMIC agrees: before accepting flawed recommendations based on an incomplete survey that would lead to additional drastic cuts, CMS and the HHS Secretary should be equipped with resources to gather conclusive survey data on equipment use rates to make payment decisions.”

In a November/December 2008 *Health Affairs* article, MedPAC staff wrote: “Indeed, MedPAC has called for Congress to provide the CMS with the resources and administrative flexibility to improve the accuracy of Medicare’s payments. Improving payment accuracy is important for encouraging the appropriate use of imaging and achieving better value for Medicare spending.”

The *Health Affairs* article wasn’t the first time MedPAC cautioned against the validity of their survey instruments. In 2006 MedPAC cautioned against using similar utilization assumption recommendations to determine reimbursement policy.

Additionally, according to meeting transcripts of the April 19, 2006 MedPAC said: “This survey is a first step...It was not nationally representative and it was not designed to determine equipment use rates. Its intent was to assess the feasibility of getting use rate data from the survey.”

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CMS also agreed that that MedPAC's survey was unsound. In its 2007 proposed physician rule, CMS did not alter the equipment utilization assumption, stating: "We do not believe we have sufficient empirical evidence to justify an alternative proposal [to the 50 percent utilization assumption]."

### **THREAT TO PATIENT ACCESS**

The impact of increasing equipment use rates would be to deny providers adequate payment for the services they provide, potentially resulting in access problems for Medicare beneficiaries, which would mostly likely hit patients in rural regions of the country first. These reductions in Medicare reimbursements for imaging services would further deepen cuts that are already being implemented as a result of the Deficit Reduction Act of 2005 (DRA) and threaten to disrupt access to patient care. According to the Government Accountability Office (GAO), the DRA resulted in \$1.64 billion in Medicare cuts in 2007 alone, the first year cuts were implemented, which was three times larger than what Congress intended. The GAO also found that utilization of advanced imaging services has slowed significantly suggesting that further cuts could endanger the availability of these services.

Montana is one good example of how MedPAC's proposed changes in the utilization assumption rate would be completely unmanageable in rural regions of the country.

"It really isn't accurate to assume we do – or could – operate imaging equipment 90 percent of the time we are open for business," said Dr. Michael Tryhus, a Missoula, Montana radiologist. "In addition to scheduled appointments, we provide emergency services to a community hospital and also cover inpatients. There are rules requiring physicians to directly supervise advanced imaging, and the limited number of radiologists providing services in states like Montana makes it difficult. Combine these facts with the fact that many of our patients travel long distances to receive imaging services, which complicates scheduling and it would virtually impossible for a typical rural provider to have anywhere near a 90 percent utilization rate."

### **ACCURATE DATA IS NEEDED**

AMIC pointed to new data collected by the largest community-based cancer care network as further proof that MedPAC made incorrect assumptions about the amount of time advanced imaging equipment is in use. Data collected by US Oncology shows that, based on annualized utilization data from the first half 2007, 94 percent of CT machines and 95 percent of PET machines operated under 75,000 minutes, which is equal to the current assumption of 50 percent utilization. US Oncology's data also shows that 56 percent of CT machines and 57 percent of PET machines operated under 37,500 minutes, or 25 percent utilization.

Beyond this existing data, AMIC and its membership seek to work in conjunction with both CMS and HHS to launch a proposed public-private partnership that would collect data from actual equipment scanning logs that measure the actual time an imaging machine is turned on and in use.

"The innovative nature of today's advanced imaging equipment gives a real-time ability to collect accurate information that measures how much time equipment is actually in use," Trylsa said. "It just makes sense to use this technology to help Medicare accurately represent utilization in its reimbursement formula and we look forward to working with HHS and CMS to collect this data."

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