

Access to Medical Imaging Coalition

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

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New Analysis Shows Significant Decreases in Imaging Spending and Slowed Utilization Growth in 2007

*American College of Radiology Says Appropriateness Guidelines Slow Utilization;
Cardiologists Say Reimbursement Environment Affects Access to Care*

Washington, D.C. – Medicare spending on advanced imaging was reduced by 19.2 percent from 2006 to 2007 and volume of service grew by a modest 1.9 percent, according to a Moran Company analysis released today by the Access to Medical Imaging Coalition (AMIC), a coalition of physician, patient and imaging manufacturer groups. In fact, the survey shows that the rate of imaging volume growth has been declining since 2005. The slow 1.9 percent growth rate for advanced imaging is less than the overall growth rate for Medicare physician payments in general.

The Moran analysis on Medicare claims data from 1998 through 2007 examined both spending and volume of advanced imaging services – specifically CT, MR and Nuclear Medicine including PET – as well as overall imaging services. For all imaging services, spending has decreased by 13.3 percent from 2006 to 2007. Additionally, the volume of all imaging services has increased by 5.4 percent since 1998. Of the 18 anatomical categories Medicare recognizes for billing, chest thorax (29.5 percent), musculoskeletal (16.6 percent) and cardiac (15.9 percent) have experienced the most volume over the past decade.

“The rate of spending growth for advanced imaging services begins to slow in 2005 and declines sharply from 2006 to last year,” said Don Moran, president of the Moran Company. “At the same time that spending has dramatically declined, utilization has also slowed. In fact, volume of services has leveled out over the last few years. The assumption that there is runaway spending and volume of advanced imaging is not born out by the data.”

Dr. Bibb Allen, a Birmingham, Alabama radiologist and chairman of economics at the American College of Radiology, said that the confluence of a number of factors has impacted the flattening of imaging utilization since 2005. “This ten-year snapshot provides context into imaging spending and utilization. The data clearly reveals that spending on imaging is not skyrocketing as the insurance lobby wrongly maintains. In fact spending on imaging has been on a downward trend since 2005,” Dr. Allen said. “Simultaneously, the expansion of physician-developed appropriateness guidelines, accreditation requirements, and marketplace realities all have contributed to slowing utilization. With the appropriateness pilot and mandatory accreditation requirement contained in last year’s Medicare law, Medicare beneficiaries will continue to receive high quality imaging tests at the right time and utilization will continue to grow modestly due to expanded screenings and coverage decisions, both of which improve health outcomes and save health care resources.”

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Dr. Herb Ladley, M.D., president of Cardiovascular Associates in Kingsport, Tennessee and a fellow at the American College of Cardiology, said the changing Medicare reimbursement-policy landscape in the last two years has affected delivery of services in the rural communities he serves.

Dr. Ladley said that his practice has had to cut cardiac care in seven rural counties – two in Tennessee and five in southwest Virginia. “The current reimbursement landscape has forced us to cut physician coverage in two rural areas, reduce physician coverage at two others and put off plans to begin coverage at three additional clinics.” As a result patients in need of cardiovascular care don’t have access to it. For some patients with chronic conditions, reduced access translates to poorly managed care and the patient’s condition deteriorates, which ends up costing much more in the long run,” Dr. Ladley said.

Tim Trysla, executive director of AMIC, said the Moran analysis of ten years of Medicare claims data reveals the deep flaws in MedPAC’s survey of imaging utilization. MedPAC only surveyed two imaging modalities in six urban areas. “Examining ten year’s worth of Medicare claims data gives a much more holistic view of imaging spending and utilization than MedPAC achieved with their snapshot survey. What’s clear is that imaging spending has sharply declined and imaging orders have been flat over the last few years. This analysis, not MedPAC’s survey, is an accurate representation of imaging. For CMS to change utilization rate assumptions, and thus reimbursement, based on what we now know is MedPAC’s flawed survey would have devastating unintended consequences. The MedPAC recommendations would reduce access for imaging services and impact patients in rural regions of the country first.”

MedPAC has recommended a change in the utilization rate assumption (the amount of time imaging equipment is used during a 50 hour week) from 50 to 90 percent. This would reduce Medicare reimbursement for diagnostic imaging services.

Mark Carol, M.D., Chief Medical Officer for Radiology and Oncology at Alliance Health Care Services, said MedPAC’s six-market and two-modality national utilization survey did not account for different degrees of sophistication and age of equipment that is used in different facilities, in different regions of the country, and designed to serve different populations of patients. “MedPAC’s utilization assessment implies that a single patient requiring 8 hours to image entails the same equipment utilization as 8 patients requiring a single hour. Any utilization assessment that does not take into account how, when, where, for whom, and with what, is inherently flawed.”

Trysla said the members of AMIC stand ready to work with CMS on finding data to base an accurate change in the practice expense equipment utilization formula. “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,” Trysla said.

The release of this Medicare claims data analysis comes the day before a U.S. House of Representatives Ways and Means Committee hearing on the MedPAC annual report to Congress on Medicare payment policy.

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About AMIC – AMIC represents more than 100,000 physicians, medical providers, and patient organizations throughout the U.S. It also includes health technology firms that manufacture imaging equipment and supplies and that employ tens of thousands of workers. Thus, AMIC represents those who develop medical imaging technologies, those who apply it, and those who benefit from it. The coalition was organized in early 2006, soon after Congress passed the Deficit Reduction Act of 2005, which significantly reduced the level of funding for medical imaging services provided in independent imaging facilities and physician offices. The coalition conducts public affairs, advocacy, and educational activities on behalf of legislation to address these payment reductions. It also promotes the adoption of policies that focus on medical imaging quality and appropriateness, so that patients are receiving the right imaging test by the right provider at the right time.