

Access to Medical Imaging Coalition

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

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Administration's Proposal to Adopt a 95 Percent Imaging Use Rate Will Impair Patients' Access to Diagnostic Imaging Services

Disruption to Access Will Affect Patients in Rural America Most

Washington, D.C. – The Obama Administration's proposal, announced in conjunction with the President's weekly radio and Internet address today, directing the Department of Health and Human Services (HHS) to dramatically change the formula that determines physician reimbursement rates for advanced imaging procedures will impair access to diagnostic imaging services and result in patients' delaying or forgoing life-and-cost savings imaging procedures, the Access to Medical Imaging Coalition (AMIC), a coalition of providers, patient groups and manufacturers said today.

Basing reimbursements on the assumption that physicians operate imaging equipment 95 percent of the time their office is open far surpasses the tipping point for efficient care and will cause congestion and delays at the point of care, force physicians – especially in rural America – to pull back services in their communities, and will disrupt patients' access to diagnostic imaging services that, when used appropriately, have proven to improve health outcomes while reducing costs.

The proposal, similar to past proposals advanced by the Medicare Payment Advisory Commission (MedPAC), is based on a deeply flawed survey. The MedPAC survey relied on a statistically insignificant sample size of only six urban medical imaging centers, rather than a representative national sampling. Also, MedPAC's methodology used to make its utilization assumptions did 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 itself even cautioned against using its survey to determine equipment use rates. According to transcripts of a April 19, 2006 meeting, 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." 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]."

"Instead of accepting the MedPAC recommendations without proper scrutiny, the Administration should instead direct HHS to launch a 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," said Tim Trysla, executive director of AMIC. "Once HHS has accurate utilization rate data, it can better determine a utilization rate that optimizes efficient care while producing savings for the Medicare program."

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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 proposed changes in the utilization assumption rate would be completely unmanageable in rural regions of the country.

When discussing MedPAC's recommendation to adopt a 90 percent utilization assumption, Dr. Michael Tryhus, a Missoula Montana radiologist said: "It really isn't accurate to assume we do – or could – operate imaging equipment 90 percent of the time we are open for business. 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 be virtually impossible for a typical rural provider to have anywhere near a 90 percent utilization rate."

ACCURATE DATA IS NEEDED

AMIC pointed to 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.

"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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