

Medicare, Congress must use accurate data to set imaging equipment utilization assumption rate

The newly-passed healthcare reform package has increased the equipment utilization (EU) assumption rate that helps determine reimbursement for advanced imaging equipment used extensively in the diagnosis of cardiac disease. Congress raised the EU rate from 50 percent to 75 percent for CT and MRI. The Congressional reforms take precedence over the 2010 Medicare Physician Fee Schedule, which raised the EU rate to 90 percent for these advanced imaging procedures. Both Congress and the Centers for Medicare & Medicaid Services (CMS) based the increased EU rates on a flawed 2006 Medicare Payment Advisory Commission (MedPAC) survey, which fails to take into consideration re-scans, no-shows, down time, empty slots, time required for preparing a patient and other realities of providing imaging services.

- ◆ CMS stated that the MedPAC survey lacked “sufficient empirical evidence to justify an alternative proposal (to the 50 percent utilization assumption.)” *2007 proposed Physician Fee Schedule Rule*
- ◆ MedPAC noted that its survey did not include available data from 2006 that would have shown the effects of the Deficit Reduction Act cuts to imaging reimbursement (*April 2009*), and also stated its survey “was not nationally representative and it was not designed to determine equipment use rates.” (*April 2006*)
- ◆ CMS has not indicated that further validation and analysis of the MedPAC survey has been conducted that would justify its use in 2010 when it was not deemed sufficient for use in 2007.

Why have Congress and CMS relied on data that have been dismissed by both the commission that funded the survey and Medicare itself as grounds for an arbitrary increase to the EU rate?

Accurate data ARE available: A 2009 survey by the Radiology Business Management Association (RBMA), a national association of business professionals in radiology, demonstrated that:

- ◆ Imaging equipment in rural regions of the country operates only 48 percent of the time an office is open for business.
- ◆ Imaging equipment in non-rural areas operates 56 percent of the time a center is open.
- ◆ Neither rural nor urban non-hospital diagnostic imaging providers operate equipment at rates anywhere near the 75-percent EU rate Congress passed or the 90-percent EU rate CMS set.

THE BOTTOM LINE: Cardiology practices use their imaging equipment far less than what Congress or Medicare have implemented for CT and MRI. Cuts in imaging reimbursement threaten the ability of cardiologists to provide critical imaging services to cardiology patients. **Any move to apply the increased EU rate to other imaging procedures, such as cardiac nuclear or echocardiography, will devastate cardiologists’ ability to offer these life-saving diagnostic tools to their patients. CAA members support accreditation, appropriateness criteria and clinical protocols to ensure appropriate utilization. Increasing the EU assumption rate threatens patient access to critical diagnostic testing and does nothing to improve imaging quality or appropriateness.**



CAA educates the professional cardiovascular community about regulatory and legislative issues that affect their ability to provide high-quality patient care, and represents the common interests of the cardiovascular patient and professional. For more information, visit our website: cardiologycaa.com.