

Imaging Cuts Passed by Congress will Harm Patients; Action Needed to Delay Implementation

Summary

Congress made deep cuts earlier this year in reimbursement for many medical imaging services that Medicare patients receive in physician offices and independent imaging centers. These cuts will mean less access for many patients, especially those in rural areas. Congress should impose a two-year moratorium on the cuts so that it can more fully understand their impact on patients.

Background

In the Deficit Reduction Act of 2005 passed in February, Congress directed Medicare to reduce the reimbursement for many types of imaging services performed in physician offices and independent imaging centers. Many Medicare patients use these services because they are close-by and convenient.

- Specifically, Congress made the cuts in what is known as the technical fees, or practice expenses, in these locations—such as the cost of supplies, overhead, and rent. It said that reimbursement for these fees could not be higher than the reimbursement for similar imaging services provided by hospitals in their outpatient departments.
- Because outpatient departments are often paid at much lower rates, the upshot is that payments for imaging in physician offices and independent testing facilities will be reduced significantly for many procedures.

Size of Reductions

Congress reduced imaging services by some \$8 billion over 10 years, starting in 2007. Those reductions represent more than one-third of the total Medicare cuts in the 2005 Deficit Reduction Act.

The reimbursement reductions affect a wide range of medical procedures and tests. For example, payments for...

- Ultrasound to guide less-invasive breast biopsies would be cut by 35%;
- PET/CT scans for diagnosing and managing tumors would be cut by 50%;
- Bone densitometry studies for diagnosing osteoporosis would be cut by 40%; and
- MR angiography that detects aneurysms in the head would be cut by 42%.

Impact of Reductions

- **Given the size of the cuts, many physicians will likely discontinue or cut-back on the imaging they provide in independent imaging centers or their own offices.** This means the convenient, close-by access that many Medicare patients rely on will no longer be available. Many patients will have to go to hospital outpatient departments—often more crowded and further away.

- **Patients in rural areas will face the greatest access limits.** Beneficiaries may be forced to drive long distances for needed imaging services if providers reduce or eliminate imaging locally. Also physicians may choose not to invest in telemedicine equipment that allows specialists at distant locations to help interpret a patient's scan—again harming rural access.
- **Patients will face longer wait times in hospital outpatient departments.** On average, patients already wait 10 days to two weeks for non-urgent imaging services in hospital outpatient departments. Reduced access to imaging services in the physician's office and independent imaging centers could increase these wait times dramatically.

How the Reductions Were Made

There were no hearings, no public debate, and no open discussion of the pros and cons of these reductions. They were made at the last minute, behind closed doors, without public participation—even though they will likely affect the lives of Medicare beneficiaries across the country.

Action Needed

Congress should impose a 2-year moratorium on the imaging cuts so that the Government Accountability Office can conduct a thorough study of the impact on patient access and services.

June, 2006

By Poldais LLC for the Access to Medical Imaging Coalition