Access to Medical Imaging Coalition

July 2011

Overview

- Introduction to the Access to Medical Imaging Coalition
- AMIC's Message
- Volume and Spending Data Update
  - MedPAC Data
  - The Moran Company: Trends in Part B Imaging Services 1999-2009
- MedPAC Draft Recommendations on Ancillary Services and AMIC Response

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Access to Medical Imaging Coalition

- AMIC represents more than 100,000 physicians, medical providers and patient organizations throughout the U.S. and includes health technology firms that manufacture imaging equipment and supplies and employ tens of thousands of workers
- Engaged in public affairs, advocacy, education on medical imaging policy and promotion of imaging quality and appropriateness policies
- Organized in early 2006 after Congress passed the Deficit Reduction Act, which significantly reduced the level of funding for medical imaging services provided in independent imaging facilities and physician offices

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AMIC's Message

- Medical imaging services are not the cost driver policymakers claim
  - Imaging spending has slowed significantly in the last several years and is now growing at a slower rate than physician services overall: in 2009, spending for advanced imaging services increased by 1.2 percent while physician services grew 2.6 percent
  - MR and CT services are not the high-cost services many believe them to be: 2011 Medicare national payment rates range from $151 to $541
  - Congress and CMS have continued to reduce spending and reimbursement for advanced medical imaging, from the DRA's 19.2 percent spending cut in 2007 to the Affordable Care Act's imposition of a 75 percent utilization rate and ongoing implementation of regulatory changes that continue to reduce payments

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AMIC's Message, continued

- Declining Medicare reimbursement and increasing government control threaten patient access
  - Even in the face of Medicare data showing slower volume and spending growth on advanced imaging services, government actors continue to focus on limiting their use by cutting reimbursement and making recommendations that will restrict patients' access
  - Further reimbursement cuts mean fewer services available for Medicare beneficiaries, longer wait times, and difficulty in diagnosing patients early, when treatment is most effective

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AMIC's Message, continued

- Diagnostic imaging services deliver value: they save lives and preserve quality of life while preventing higher health care costs over the long term
- Access to life-saving imaging services should not be determined based on outdated utilization and spending information, or by arbitrary reimbursement reductions, but should be based on clinical appropriateness supported by clinical evidence
- Congress should adopt policies that promote appropriate use of imaging and transparent decisionmaking

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Volume and Spending Data Update

- MedPAC continues to cite old data to show that imaging services are growing out of control
  - "What we have now is very rapid growth in advanced imaging."
    – Glenn Hackbarth, June 24, 2010 testimony before the House Energy & Commerce Committee's Subcommittee on Health
  - "From 2000 to 2009, the cumulative growth of imaging and tests was faster than all other categories of physician services… Although the volume growth of imaging slowed to 2 percent per beneficiary from 2008 to 2009, this was preceded by several years of rapid increases."
    – Ariel Winter (MedPAC staff), February 24, 2011 MedPAC meeting
- However—
  - "Across all services, volume per beneficiary grew 3.3 percent in 2009… From 2008 to 2009, test services increased 7.4 percent. In comparison, growth rates were 5.5 percent for other procedures, 5.3 percent for major procedures, 2.0 percent for imaging, and 1.7 percent for evaluation and management (E&M) services." *– MedPAC, March 2011 Report*
  - "Volume growth has slowed in recent years but remains positive. From 2007 to 2008, services in the tests category grew the most: they increased 4.5 percent. "Other procedures" was next, at 4.3 percent, followed by evaluation and management (3.5 percent), imaging (3.3 percent), and major procedures (2.7 percent)." *– MedPAC, A Data Book: Healthcare Spending and the Medicare Program (June 2010)*

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Volume and Spending Data Update, cont.

- The Moran Company's 11-year trend analysis found:
  - Total imaging volume and spending fell from 2008 to 2009, continuing the trend since 2006
    - Total imaging volume decreased 7.1 percent
    - Advanced imaging volume decreased 0.1 percent
  - Per beneficiary volume and spending growth have leveled off since 2007
    - Nearly flat volume growth from 2008 to 2009
    - Per-beneficiary spending for advanced imaging peaked in 2006

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Trends in Imaging Services Billed to Part B Medicare Carriers and Paid under the Medicare Physician Fee Schedule, 1999-2009

Executive Summary

Prepared for the Access to Medical Imaging Coalition (AMIC)

October 2010

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Executive Summary Objectives

We analyzed volume and spending on physician imaging services* to:

- Evaluate utilization and spending trends over 1999-2009;
- Discuss trends for Advanced Diagnostic Imaging Services (MR, CT, Nuclear Medicine, PET, PET/CT);
- Evaluate Mammography and DXA utilization; and
- Analyze site of service trends.

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* Defined as services billed to Part B Medicare contractors and paid under the Medicare Physician Fee Schedule (MPFS)

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Key Findings: Aggregate Trends

Volume and spending increased from 1999-2009, but with slowing growth or declines in more recent years:

- In 2009, there were 172 million imaging procedures performed at a cost to Medicare of approximately $11.8 billion compared to 117 million procedures and $5.8 billion in 1999.
  - 4.0% CAGR in volume
  - 7.3% CAGR in spending
- In 2005, the rate of total volume growth began to slow after peaking in 2000-2005.
- Between 2008 and 2009 total volume of imaging services decreased by 7.1%.

CAGR: Compound Average Annual Growth Rate

Key Findings: Aggregate Trends

Total Volume and Spending for Imaging Procedures 1999-2009

Year to Year Percent Change in Total Imaging Volume and Spending

	99 v. 00	00 v. 01	01 v. 02	02 v. 03	03 v. 04	04 v. 05	05 v. 06	06 v. 07	07 v. 08	08 v. 09	CAGR 99 v. 09
Volume	5.2%	9.7%	10.1%	6.7%	7.6%	5.2%	1.3%	0.8%	1.5%	-7.1%	4.0%
Spending	13.8%	20.4%	8.5%	15.6%	16.3%	11.2%	4.2%	-13.3%	2.9%	-2.1%	7.3%

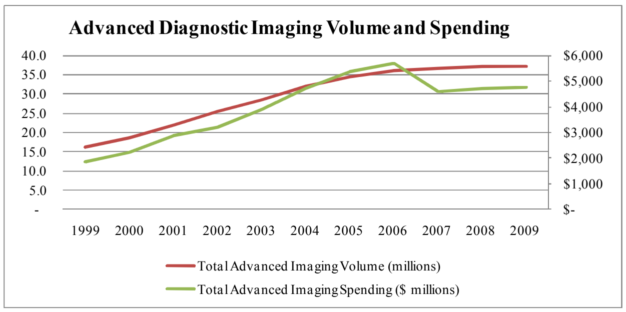
Total Imaging Volume and Spending (in millions), PSPS Data Files 1999 - 2009

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Volume	117	123	135	148	158	170	179	181	183	186	172
Spending	$5,848	$6,653	$8,010	$8,695	$10,055	$11,696	$13,007	$13,555	$11,752	$12,096	$11,841

CAGR: Compound Average Annual Growth Rate

Key Findings: Advanced Diagnostic Imaging Services

- Spending for advanced diagnostic imaging services (ADIS)* reached a 10 year high in 2006.
- By 2007, spending was down from previous years.
- In 2009, volume decreased (-0.1%) while spending increased slightly (1.2%). Spending is still below 2006 levels.



*ADIS defined as CT, MR, NM, PET, and PET/CT

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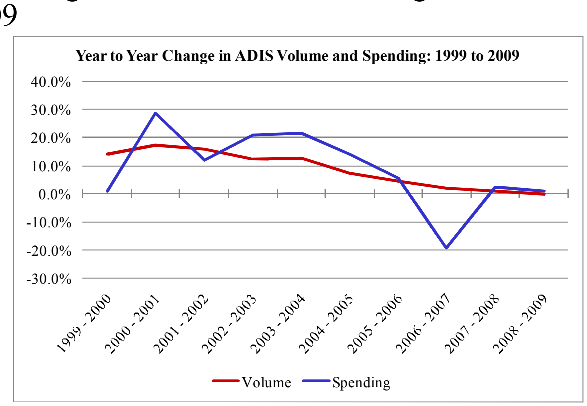
Key Findings: ADIS, cont.

Year to Year Percent Change in Volume and Spending

- Decrease in spending on ADIS evident in 2007 with the implementation of the DRA.
- Volume growth for ADIS decreasing from 2001 to 2009



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Key Findings: ADIS, cont.

Total Volume and Spending for ADIS 1999-2009

Total Volume and Spending for ADIS , 1999-2009 (millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Volume	16.3	18.6	21.8	25.3	28.5	32.1	34.4	36.0	36.7	37.1	37.0
Spending	$1,855	$ 2,238	$ 2,875	$3,216	$3,882	$ 4,725	$5,392	$5,696	$ 4,602	$ 4,710	$ 4,764

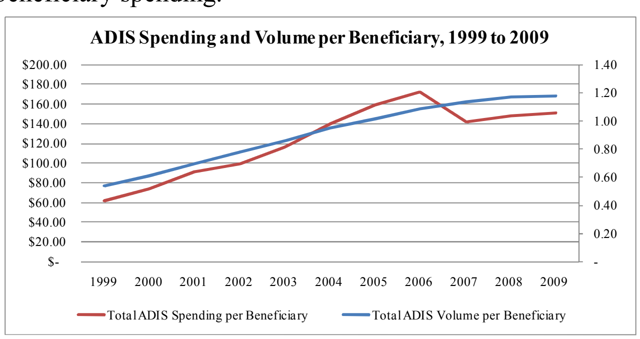
Year to Year Percent Change in Volume and Spending for ADIS, 1999 - 2009

	99 v. 00	00 v. 01	01 v. 02	02 v. 03	03 v. 04	04 v. 05	05 v. 06	06 v. 07	07 v. 08	08 v. 09
Volume	14.2%	17.4%	15.9%	12.3%	12.6%	7.4%	4.6%	1.9%	1.1%	-0.1%
Spending	1.2%	28.5%	11.8%	20.7%	21.7%	14.1%	5.6%	-19.2%	2.3%	1.2%

Key Findings: Spending per Beneficiary

ADIS Spending and Volume per Beneficiary

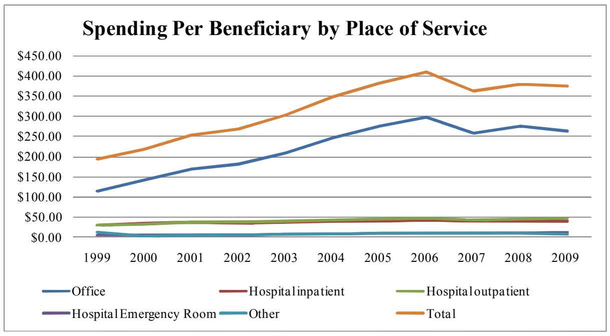
- Spending per beneficiary peaked in 2006.
- Inception of the DRA evident in 2007 showing decline in per beneficiary spending.



Key Findings: Spending per Beneficiary, cont.

Total Imaging Spending per Beneficiary, Place of Service

- Spending per beneficiary in the office peaked in 2006.
- Spending per beneficiary in other settings has remained relatively stable from 1999 to 2009.



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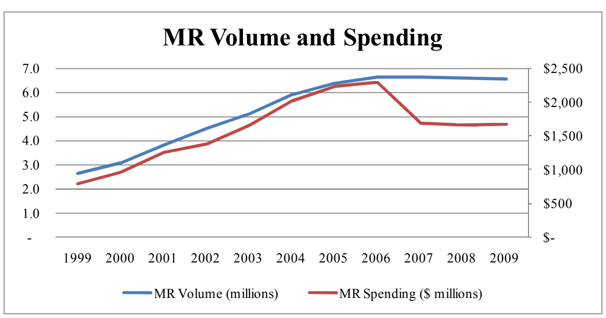
Key Findings: Magnetic Resonance Imaging (MR) Volume and Spending

- MR volume decreased from 2008 to 2009 by 1.2%.
- Spending increased slightly from 2008 to 2009 by 0.8%.
- Spending has remained relatively constant since the inception of the DRA in 2007.



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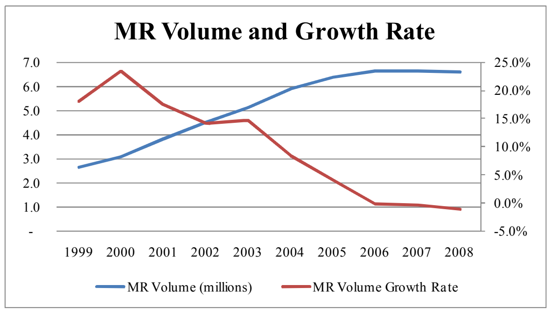
Key Findings: MR Volume and Growth Rate

• The MR growth rate on a steady decline since 2000.

• Volume steadily increasing until 2006 and has remained relatively stable since that time.



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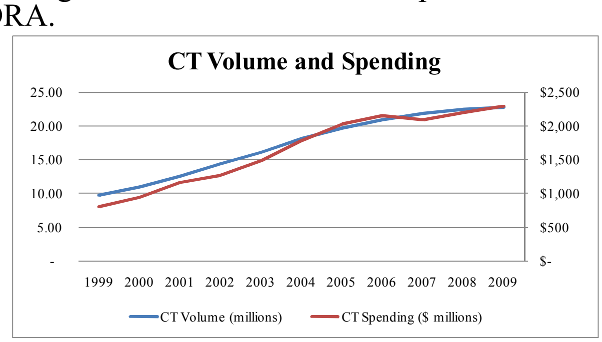
Key Findings: CT Volume and Spending

• Volume and spending for CT services increasing from 1999 to 2009.

• Spending decreased in 2007 with implementation of the DRA.



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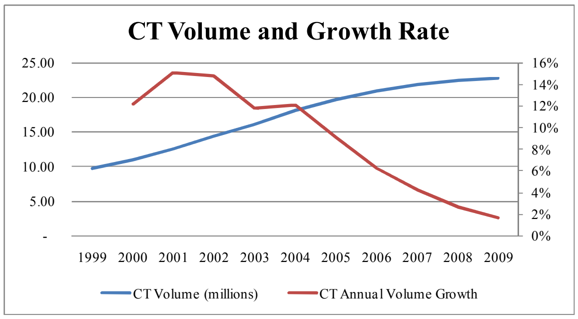
Key Findings: Computed Tomography (CT) Volume

- Starting in 2005, the rate of growth in CT slowed compared to 2000-2005.
- The 2008-2009 rate of growth for CT procedures was nearly half that of the previous year (2.6% down to 1.6%).



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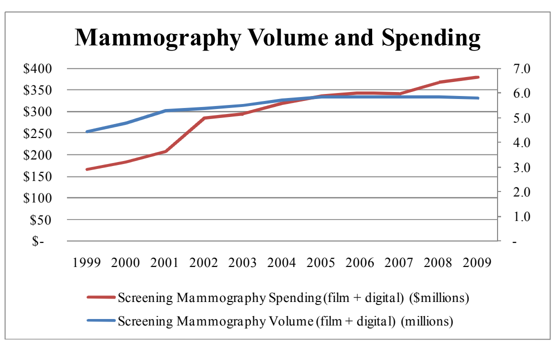
Key Findings: Mammography Volume and Spending

- The volume of mammography services has remained stable with spending increasing from 1999 to 2009.



Mammography volume includes both digital and film screening.

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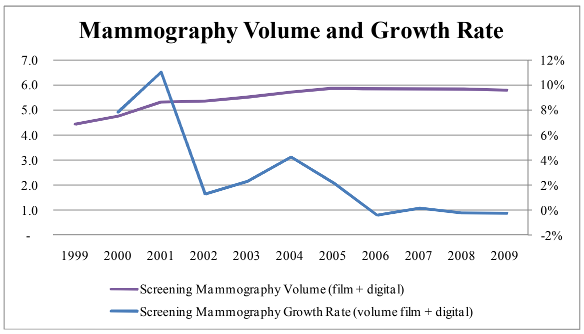
Key Findings: Screening Mammography Volume

- The rate of growth in volume for screening mammography has declined or remained steady since 2004.
- From 2008 to 2009, total volume decreased by 0.3% compared to a 2.8% CAGR for the 10 year period.



Screening mammography includes both plain film and digital mammography
Screening mammography not subject to DRA provisions

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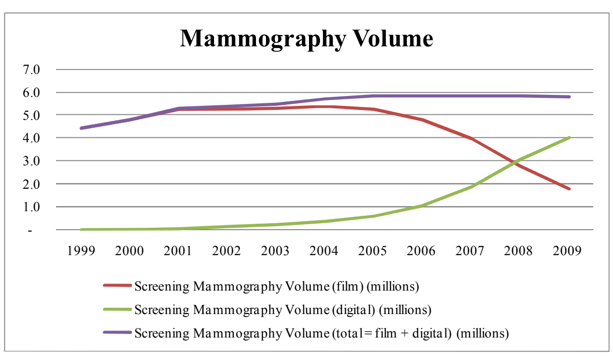
Key Findings: Screening Mammography Volume cont.

- Total volume has remained relatively constant since 2005.
- The steady rate of volume over time likely explained by substitution effect of film to digital mammography.



Screening mammography not subject to DRA provisions

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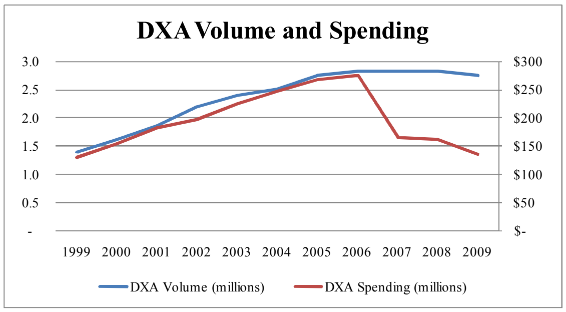
Key Findings: DXA Volume and Spending

- DXA volume reached its peak in 2005 and has been slowly declining since.
- From 2008-2009 total volume decreased by 2.2%.
- From 2008-2009 total spending decreased by 16.0% ($162 million to $136 million).



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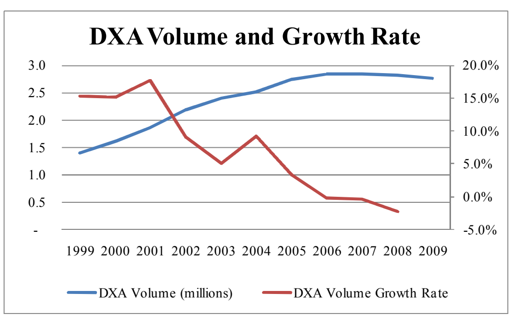
Key Findings: DXA Volume and Growth Rate

- The volume of DXA services has remained relatively stable, while the rate of growth in volume continues to decline.



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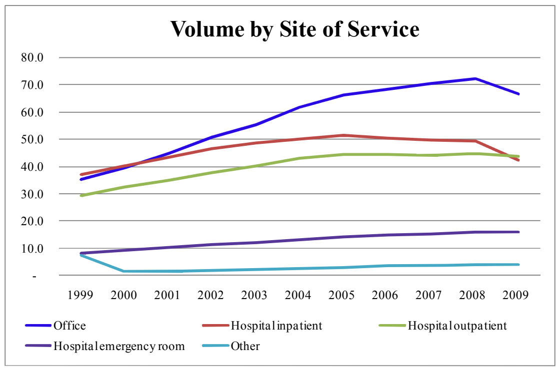
Key Findings: Site of Service

- Volume in the office setting declined by 7.7% from 2008 to 2009.
- Hospital inpatient and outpatient volume also declined, 14.3% and 2.0% respectively.
- Imaging performed in the emergency room department increased slightly by1.2%.



Volume in millions

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MedPAC June 2011 Recommendations on Ancillary Services and AMIC Response

- Recommendation 1: The Secretary should accelerate and expand efforts to package discrete services in the physician fee schedule into larger units for payment.
- *AMIC Response*:
  - RUC and CPT processes involve extensive analysis and deliberations by medical experts; CMS should carefully analyze proposal to package/bundle codes to determine whether combining services would provide effective incentives for the appropriate provision of care to beneficiaries
  - Unintended consequence of this policy: Reducing the quality of care as underutilization is incentivized
  - Result: Services that would ordinarily be used to enhance the quality of care delivered to beneficiaries could be left out in order to cut costs

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MedPAC June 2011 Recommendations on Ancillary Services and AMIC Response

- Recommendation 2: The Congress should direct the Secretary to apply a multiple procedure payment reduction to the professional component of diagnostic imaging services provided by the same practitioner in the same session.
- *AMIC Response*:
  - RUC and CPT processes should be used to evaluate, on a code-by-code basis, any redundancies or efficiencies in physician work that may occur when patients receive multiple procedures
  - There are few efficiencies when two studies are furnished to the same patient by the same physician because each imaging study produces a unique set of images that must be individually interpreted and written up in separate reports
  - GAO's 2009 report (on which the recommendation relies) evidences a misunderstanding of the valuation of physician work
    - GAO equated less intense pre-service and post-service work with intra-service work, thus dramatically overestimating the potential savings
    - GAO used code pairs representing unusually high levels of efficiency as evidence that its recommendation would produce savings across all imaging codes

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MedPAC June 2011 Recommendations on Ancillary Services and AMIC Response

- Recommendation 3: The Congress should direct the Secretary to reduce the physician work component of imaging and other diagnostic tests that are ordered and performed by the same practitioner.
- *AMIC Response*:
  - Congress should not determine the value of imaging services
  - At present, the AMA/RUC process is the most fair and accurate way to value physician work
  - The RUC undertakes extensive data analysis, which is reviewed by peer experts in reimbursement and medicine
  - The RUC has the experience and expertise to provide a fair and accurate assessment of the current value of services offered across the various medical specialties

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MedPAC June 2011 Recommendations on Ancillary Services and AMIC Response

- Recommendation 4: The Congress should direct the Secretary to establish a prior authorization program for practitioners who order substantially more advanced diagnostic imaging services than their peers.
- *AMIC Response*:
  - Differential rates of imaging utilization reflect the fact that many physicians have quite specialized practices
  - Penalizing heavy users of specific imaging studies would disproportionately affect the most specialized, and often most efficient, physicians, including those at academic referral medical centers and large group practices, rather than selectively penalizing supposed "overutilizers"
  - Prior authorization hinders beneficiary access to needed services, increases the administrative burden on physicians and their staff and does not result in long-term savings
  - To ensure appropriate imaging, AMIC supports the use of evidence-based, physician-developed appropriateness criteria delivered through the use of integrated clinical decision support/order entry systems
  - Prior authorization should not be considered until the Medicare Imaging Demonstration program has been fully implemented and its results have been made available to inform future rulemaking

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