Proposed Imaging Pay Cuts May Limit Access

BY MARY ELLEN SCHNEIDER

Policy makers are turning their attention to outpatient medical imaging services as they try to cut costs from the health care system.

But although physicians acknowledge the high price tag associated with advanced imaging modalities, some in the cardiology, rheumatology, and radiology communities say the types of cuts being proposed could hurt access, especially in rural and underserved communities. And they argue that the proposed cuts would not address the real problem of inappropriate use.

In July, officials at the Centers for Medicare and Medicaid Services issued the 2010 Physician Fee Schedule proposed rule, which includes a plan to increase the assumed utilization rate for certain imaging equipment from 50% to 90%. The utilization rate change would apply to all equipment priced at $1 million or more.

The CMS said the change will bring payment more in line with the actual costs for maintaining and operating the equipment without harming access, but opponents disagree.

Health reform legislation being considered in the House (H.R. 3200) includes its own cut to imaging services. The bill would change the utilization assumption from 50% to 75% for advanced diagnostic imaging services such as CT, magnetic resonance imaging, nuclear medicine, and positron emission tomography (PET). It would also adjust the technical component "discount" on single-session imaging to consecutive body parts from 25% to 50%. If enacted into law, the changes in the House bill would go into effect in January 2011.

As written, the proposals would not affect lower-cost imaging services such as bone density testing and ultrasound.

Nonetheless, the proposals could hurt the adoption of MRIs in rheumatology offices and have negative consequences for patient care and the overall cost of health care, said Dr. Norman B. Gaylis, a rheumatologist in Aventura, Fla., and the president of the International Society of Extremity MRI in Rheumatology (ISEMIR).

ISEMIR estimates that about 75 rheumatology practices in the United States are using office-based MRIs. The MRI actually saves the health system money, he said, by picking up erosions far earlier than x-rays would, thus making an earlier diagnosis possible.

The technology also allows physicians to determine whether a patient should be taking an expensive biologic agent, Dr. Gaylis said. Moving forward, if the patient responds to the biologic, the physician can use the MRI to stop the medication when the patient shows signs of remission, something that can't be effectively measured without an MRI.

The American College of Cardiology (ACC) expects the proposals to result in payment cuts to cardiac magnetic resonance imaging, cardiac computed tomography, and nonhospital cardiac catheterization services.

Dr. Jack Lewin, CEO of the ACC, said that it's appropriate for Congress and the administration to investigate how to make imaging more efficient. But the best approach is not price cutting, he said in an interview. Instead, the ACC favors utilizing appropriate use criteria at the point of care so that the ordering physician can quickly see if the current science supports the use of a particular imaging study.

> Instead of cutting fees, 'we can give doctors who are ordering these tests for their patients the information as to which is the right test to order and when it's really indicated.'

"We have the science," Dr. Lewin commented. "We can give doctors who are ordering these tests for their patients the information as to which is the right test to order and when it's really indicated."

The widespread use of appropriate-use criteria tools would save the same amount of money as the "blunt instrument cuts" proposed by Congress, Dr. Lewin said, but without some of the unintended consequences. For example, he predicted that the cuts as proposed would force some imaging centers to close their doors and would likely have the greatest impact on poor communities and ethnic minorities.

Dr. Michael Graham, president of the Society of Nuclear Medicine, said he is concerned about the impact these cuts would have on access in rural areas. If rural imaging facilities are forced to close, patients may have to drive twice as far and wait twice as long to get a study, he said in an interview. "The reality is that studies will not get done. It's going to be a major problem."

Policy makers who are targeting advanced imaging modalities should also consider the impact on lower-cost imaging services, said Dr. James Borgstede of the University of Colorado, Denver, and a past chair of the Small and Rural Practice Commission at the American College of Radiology.

When physicians go to a rural area to perform imaging services, they often use the higher-cost imaging to support the lower-cost services like plain film x-rays and mammograms, he said in an interview.

"The government has to reimburse us appropriately," Dr. Borgstede said. "We're small businessmen, and if you lose a dollar on every piece of imaging you do, you don't make it up on volume." ■

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Family Insurance Tops $12K

Employer-sponsored insurance for a family of four in 2008 cost employers and workers an average of $12,298, according to the Agency for Healthcare Research and Quality. The employees' contribution averaged $3,394 for family-of-four plans and $882 for single workers, the agency reported. Employers paid the entire premium for 22% of workers with single-coverage plans, for 11% of workers with family-of-four plans, and for 9% of employees with one covered family member. About 31 million of the more than 62 million workers enrolled in employer-based insurance in 2008 had single plans, while 20 million had family-of-four coverage.

Information Tech Is Growing

The electronic exchange of health information among physicians, hospitals, health plans, and patients has increased substantially in the past year, the nonprofit group eHealth Initiative (eHI) found in its annual survey of 150 community-based "health information electronically" initiatives. Respondents reported a nearly 40% increase in the number of initiatives that were advanced enough to be exchanging information. According to eHI, these groups said that information technology is cutting redundant tests, avoiding some medication errors, and reducing staff time spent handling lab results and doing clerical tasks. The federal government is to spend at least $300 million on health information technology over the next 2 years as part of the American Recovery and Reinvestment Act of 2009.

HHS Allocates Training Funds

The Department of Health and Human Services has released $200 million to support grants, loans, loan repayments, and scholarships for health care professionals focusing on primary care. According to the HHS, the funds will train about 8,000 students and credentialed health professionals by the end of fiscal year 2010. More than $47 million of the funds will support primary care training for residents, medical students, physician assistants, and dentists. Another $10.5 million will support training of other public health workers. Meanwhile, about $80 million will go toward scholarships, loans, and loan-repayment awards, while about $50 million will help various primary care training programs purchase equipment needed to improve their quality and capacity. Some funds also will go to increasing racial diversity in the workforce and to reducing barriers to telemedicine, the HHS said. The $200 million is part of $500 million that the federal economic stimulus package allotted for the Health Resources and Services Administration to address health workforce shortages.

Free Rx Program Will Expand

AstraZeneca Pharmaceuticals LP has expanded its prescription drug savings program and will enable people who were recently laid off or have had their incomes reduced to receive free medications more quickly. The program also will help more patients who have experienced changes in marital status or family size, the drug maker said. Previously, some people with recent drops in income or increases in family size had problems applying for free medications because their W2 statements didn't indicate that they qualified. But AstraZeneca said it now will accept other documentation showing current income and family size. The AZ&Me Prescription Savings program provides AstraZeneca medicines at no cost to individuals who make up to $30,000 per year and to families of four making up to $60,000 per year, if they have no other prescription drug coverage.

Medicine in Big Easy Isn't

Federal funding has helped provide primary care in the hurricane-pummeled greater New Orleans area, but grant recipients continue to face significant challenges, the Government Accountability Office reported. Primary care providers in the area have had increasing trouble hiring and retaining staff, as well as referring patients outside their practices, the GAO said. In 2007, the HHS awarded $100 million in grants to restore primary care for low-income people in the New Orleans area. Grant recipients have used the funds to hire or retain staff, to add primary care services, and to open new delivery sites in underserved neighborhoods. However, it's still not clear how many of the primary care organizations will survive, the GAO said.

Biosimilars Market: $45 Million

A research firm pegs the U.S. market for generic versions of biotechnology products, called biosimilars or biogenerics, at $45 million by 2015 if the federal government clears a regulatory path for such products. The major health reform bills now making their way through Congress would do so. Kalorama Information said that biosimilars of human growth hormone, insulin, and some protein- and recombinant DNA–based therapies would probably be the first generics available. Early sales aren't likely to be robust, partly because the brand-name manufacturers will defend their turf, the Kalorama report predicted. Nevertheless, a few generic makers "will hit the ground running" once approval of biosimilars is granted, Kalorama's Bruce Carlson said in a statement.

—Jane Anderson