

New data: Hospital imaging centers poised to pull back, hitting patients hardest in rural areas

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Survivors and patients with cancers and heart disease, along with patient advocate organizations and physicians, today urged policymakers to enhance early diagnosis of deadly diseases by preserving access to advanced imaging, such as MRI and CT scans, in final health care reform legislation.

Specifically, hundreds of rally participants expressed grave concern about the "triple threat" facing life-saving medical imaging services -- drastic Medicare reimbursement cuts included in health care reform legislation, arbitrary changes to the 2010 Physician Fee Schedule and billions of dollars in excise taxes on imaging equipment -- all of which would turn back the clock on the war against cancer and other serious diseases by inhibiting patients' access to the early disease detection that diagnostic imaging delivers.

The most recent of these threats, a \$40 billion excise tax on medical devices has the potential to have serious, systemic and long-term repercussions for the quality of American health care, as it will stifle the innovation of new imaging and cutting edge cancer-therapy technologies that can detect disease earlier, personalize disease treatment while preserving quality of life and deliver better outcomes with less radiation.

27 Patient Advocacy Groups: Additional Cuts Will Hurt Patient Access to Medical Imaging



In a letter to President Obama and Secretary Sebelius, 20 patient advocacy organizations wrote that they were gratified to hear President Obama point out in his recent address on health care that early disease detection makes sense because "it saves money, and it saves lives." With that in mind, the groups wrote that "further deep reductions in Medicare reimbursements for diagnostic imaging would jeopardize the health of America's seniors by delaying or precluding their access to the front-line tools that turn early detection into effective treatment and patients into survivors."

Knowing that new cancer cases in the U.S. are projected to rise by 45 percent over the next 20 years, with a "dramatic spike" predicted among elderly and minority populations (according to the Journal of Clinical Oncology), the groups also expressed concern in their letter that "limiting access to vital advanced imaging services will counteract efforts to identify and treat disease early, with the net result of increasing --- rather than decreasing --- overall healthcare costs."

"Twenty-eight organizations advocating on behalf of patients and seniors have now expressed support for access to diagnostic imaging by urging Congress and the Administration to forgo another round of deep cuts to reimbursements," said Andrew Spiegel, CEO of the Colon Cancer Alliance.

In addition to today's letter release, 15 patient advocate organizations wrote to Congressional leaders in July, saying: "We are deeply concerned that additional unwarranted cuts to medical imaging will hamper our fight against these deadly diseases." Seven organizations signed both letters.

"We know that early disease detection dramatically improves the chances of survival," said Sheila Ross, special counsel, Lung Cancer Alliance and two-time lung cancer survivor. "If imaging reimbursements



are further reduced and increased taxes are imposed on such technologies, in the end it will be the patients who will suffer the most."

The organizations that signed today's letter are: American Federation for Aging Research, American Pain Foundation, Black Women's Health Imperative, Brain Injury Association of America, California Consumers United, Coalition for Pulmonary Fibrosis, Colon Cancer Alliance, Connecticut Breast Health Initiative, David's Fight, Emergency Coalition to Save Cancer Imaging, Gilda's Club Quad Cities, Gregory M. Hirsch Memorial Foundation, Hypertrophic Cardiomyopathy Association, Kidney Cancer Association, Lung Cancer Alliance, Patient Advocates for Advanced Cancer Treatment, SemiColon, Sudden Cardiac Arrest Association, Washington State Prostate Cancer Coalition, and YES! Beat Liver Tumors.

New Data Shows Effect of Past Cuts

As the patient advocate organizations unveiled their letter, the Access to Medical Imaging Coalition (AMIC) also released a Moran Company analysis of 2008 Medicare claims data showing that the volume of advanced imaging is growing more slowly since the implementation of the Deficit Reduction Act of 2005 (DRA). A previous Moran and Company analysis showed that Medicare spending on advanced imaging was reduced by 19.2 percent from 2006 to 2007 and volume of service grew by only 1.9 percent. Of particular note, the new analysis showed that from 2007-2008:

- Use of CT, MR, PET and nuclear services grew by only 1.1 percent even slower growth than the modest 1.9 percent growth from 2006 to 2007.
- Use of mammography and DEXA (bone density screening to



detect osteoporosis) both continue to decline in volume. Screening mammography volume fell nearly 30 percent (from 0.15% growth in 2006 to 2007 to -.20%), while DEXA volume in 2008 dropped 0.4 percent relative to 2007 (double the decline from 2006 to 2007).

• Use of MRI decreased by -0.3 percent between 2007 and 2008 and the growth rate for CT volume was cut almost in half (4.2 % compared to 2.6%).

"Utilization of advanced imaging services continues to be slower in the post-DRA environment than in the prior period," said Don Moran, president of the Moran Company. "Contrary to the assumption that advanced imaging spending is rapidly increasing, the 2008 data appear to confirm the deceleration of imaging cost growth first observed in the 2007 data. Policymakers may wish to consider this trend when considering changes to imaging coverage and reimbursement."

Tim Trysla, executive director of the Access to Medical Imaging Coalition said: "MedPAC is ignoring imaging spending and use trends from 2006 to 2008 after the DRA went into effect. It's misleading and lacking in credibility for MedPAC to make policy recommendations while examining an environment that no longer exists. Policymakers must take into account the impact of the DRA and make public policy decisions based on up-to-date spending and use data."

Doctors Forecast Detrimental Impact of Additional Deep Cuts to Imaging

Radiologists and cardiologists who joined patients at today's rally said that they are concerned the proposed reductions to Medicare reimbursements, coupled with the excise tax and severe cuts already



made in the last several years, will force them to make difficult choices that will deny seniors access to diagnostic services.

Data collected by the Radiology Business Management Association (RBMA) and the American College of Radiology (ACR) underscores this concern. According to their recent survey, if reimbursements were reduced by half:

- 36 percent of practices would consider limiting access to Medicare beneficiaries
- 25 percent would consider dropping out of the Medicare program
- 40 percent would consider consolidating service sites
- 40 percent would consider closing their center

"Another deep cut in reimbursements for diagnostic imaging will not only further curtail access to MRI and CT, but it will have the unintended consequences of curtailing access to all medical imaging including mammography," said Dr. Steve Harms, a radiologist at The Breast Center of Northwest Arkansas in Fayetteville, Arkansas.

Legislative Proposals to Further Cut Imaging Reimbursements

The proposed Medicare cuts for medical imaging procedures would come by changing what is known as the utilization assumption -- the amount of time that imaging equipment is assumed to operate during the hours a physician's office or center is open. President Obama has recommended that the Centers for Medicare & Medicaid Services (CMS) dramatically recalibrate the reimbursement formula using a 95



percent utilization assumption for advanced imaging equipment instead. Legislation introduced in the U.S. House would change the utilization assumption to 75 percent for advanced imaging equipment. The current utilization rate CMS uses is 50 percent.

According to data from RBMA, neither rural, nor urban, non-hospital diagnostic imaging providers operate equipment at rates anywhere near those levels. Rather, a recent survey shows that imaging equipment in rural areas of the country operates only 48 percent of the time an office is open, on average, while equipment in non-rural areas operates just 56 percent of the time. In other words, under these proposals, few centers that offer these life-saving scans will be reimbursed at the proper level.

Regulatory Proposals to Further Cut Imaging Reimbursements

Patient access to diagnostic imaging is threatened not only via the legislative process, but also by CMS's proposed revisions to the 2010 Medicare Physician Fee Schedule (MPFS). In the Fee Schedule, CMS proposes dramatic cuts to the technical component of diagnostic imaging services. When combined with the effect of already-implemented imaging cuts and the proposed adjustments to the equipment utilization rate, these proposed new cuts would represent a total cut of approximately sixty (60%) over a five year period.

Dr. Paul Freier, a non-invasive cardiologist, from Illinois Heart and Vascular said: "CMS's rule would represent the most dramatic aggregate cut of any healthcare provider class within the Medicare program over the same period of time and will devastate access to appropriate imaging."

Source: Weber Shandwick Worldwide (<u>news</u>: <u>web</u>)



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