

Imaging Groups Urge CMS Not to Implement Cuts to CT and MRI

Professional medical societies, hospitals and imaging trade groups are urging CMS not to move forward with separate categories for calculating the cost of CT scans and MRIs in the final hospital outpatient prospective payment system (HOPPS) rule. Opponents say that the proposal will lead to reimbursement for CTs and MRIs similar to payment for low-technology imaging like X-rays.

CMS has proposed to calculate the costs for CTs and MRIs separately from other radiology costs to cut back on “charge compression,” where costs are overestimated for lower-cost items and underestimated for higher-cost items. CMS in 2010 revised the Medicare cost reports with separate categories for CTs and MRIs, but delayed implementation. The Medicare Payment Advisory Commission (MedPAC), an advisory board to Congress, supports the CMS policy to use the cost centers to calculate reimbursement in 2014. “Many have asserted that charge compression has resulted in inaccurate payments in the HOPPS since its inception in August 2000,” MedPAC states in comments on the hospital outpatient proposed rule. “We believe this is an important step in mitigating the effects of charge compression and should result in more accurate payments.” MedPAC recommends that CMS find other ways to reduce the effects of charge compression.

The Medical Imaging and Technology Alliance (MITA) estimates that the cuts could be up to 19 percent for MRIs and 38 percent for CTs in the hospital outpatient setting. The American Hospital Association states that if the proposal is finalized some hospital imaging centers might close, compromising patient access to care in a hospital setting.

This policy impacts reimbursement in freestanding imaging centers as well, due to the Deficit Reduction Act, which requires that physician offices be reimbursed at the lower of either the hospital outpatient payment system or physician fee schedule rates. The new cost centers would cause the HOPPS rates to drop, therefore freestanding imaging centers would see a payment reduction for CTs and MRIs as well.

The Hospital Outpatient Payments Advisory Panel recommended in August that CMS delay implementing the new cost centers for 2014 outpatient rate setting until it has a chance to review the data at its Spring 2014 meeting. CMS has however, finalized this policy in the final 2014 hospital inpatient payment rule.

Hospitals and imaging equipment makers say the reimbursement for CT and MRI services are unreasonable under the new cost centers. Advanced imaging technologies require more investment in equipment, have larger service costs, and take more time to perform. In addition, the technologies require that people administering the procedure have more skill than simple imaging and these tests also have greater clinical value.