CT and MRI Equipment Manufacturers May Realize Reductions in Hospital Payments

The American College of Radiology, Medical Imaging and Technology Association and advanced-imaging equipment manufacturers, including GE Healthcare and Siemens Healthcare, recently met with Office of Management and Budget (OMB) officials in a bid to keep the Centers for Medicare and Medicaid Services (CMS) from using separate cost centers for Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) to set reimbursement levels. In 2010, CMS revised the Medicare cost reports with separate categories for CT and MRI but has delayed using those cost centers.

In the 2014 hospital inpatient prospective payment system (HIPPS) proposed rule, CMS said it now has the cost data needed to calculate reimbursement for CT scans and MRIs and included the new cost centers. They state that the current cost reporting requirements do not accurately measure cost information for capital-intensive services and that adding specific cost centers for CT and MRI imaging will make payment more accurate.

CMS hired research firm RTI International to study reimbursement policies for CT scans and MRI and cardiac catheterization. RTI found that the costs and charges for those services differ significantly from the costs and charges of other services included in the standard associated cost center. “RTI concluded that both the HIPPS and the hospital outpatient relative weights would better estimate the costs of those services if CMS were to add standard cost centers for CT scans, MRIs, and cardiac catheterization,” according to the HIPPS proposed rule.

Because the HIPPS rule is budget neutral, the research firm Direct Research Analysis estimates that pay will rise for older, less valuable imaging procedures, including X-rays and ultrasound, while pay for CT scans and MRIs will fall drastically -- as much as 26 percent for CT scans and 11 percent for MRIs. Direct Research Analysis projects that pay for the older and newer technologies will be close to the same. CT and MRI equipment manufacturers state that their services are of greater value, the equipment is more advanced and expensive, and their services are used in different clinical settings so the reimbursement should not be similar.

Imaging payment policy is included in both the hospital inpatient and outpatient payment rules, but the outpatient proposed rule will not be published until July because the two regulations are on different cycles. Industry lobbyists say the new cost center categories will likely be included in the hospital outpatient proposed rule.