

ACCESS TO MEDICAL IMAGING COALITION

June 29, 2011

Senator Max Baucus
Chairman
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Baucus:

On behalf of the members of the Access to Medical Imaging Coalition (AMIC), we are writing to urge you not to include another arbitrary cut to Medicare payments for medical imaging services in the Trade Adjustment Assistance Extension Act of 2011. Further dramatic reductions to payments for critical screening and diagnostic services—\$400 million, on top of the billions of dollars in cuts that have been imposed year after year since 2006—simply cannot be endured by the physician practices that provide these services in the community, nor by the seniors whose health and lives depend upon them.

As you know, the medical specialties represented by AMIC—radiology, cardiology and oncology—depend on medical imaging technologies to diagnose and treat our seniors' most devastating diseases, including heart disease and breast, lung, prostate and other cancers. However, further reducing Medicare reimbursement levels for advanced imaging services that use MRI and CT equipment will make it financially very difficult for physicians to continue offering these services in the community, which will jeopardize seniors' access to care. The potential impact is not limited to advanced imaging, though, as the consolidation and closing of imaging centers in the community will mean that standard imaging modalities like mammography, ultrasound and x-ray will also not be available. While all modalities would likely still be available in hospitals (which, for those in rural areas of the country, could be hundreds of miles away), access would be restricted by long waiting times for appointments, appointments at odd hours of the day, and long lines in the waiting room.

As drafted, section 571 of the TAA Extension Act of 2011 would increase the utilization rate assumption for advanced imaging equipment priced above \$1 million to an unachievable "normative" standard of 90 percent, as proposed by MedPAC and as included in the 2010 Medicare Physician Fee Schedule. As you'll recall, AMIC worked closely with you and your staff during health reform to craft a more balanced imaging payment policy that would have set the utilization rate assumption at 65 percent for three years and increased it to 75 percent by 2014, yielding an estimated \$3 billion in savings as part of the down payment for health reform. Medical imaging was, in fact, the only physician service used as a health reform offset. But even then, the Senate Finance Committee's bill did not adopt MedPAC's recommendation. We urge you not to adopt it now, as an offset for an entirely unrelated program.

Section 571 appears to be yet another instance where imaging services for seniors are being cut to pay for other policies, under the guise of achieving "appropriate" payment rates. Apart from short-term SGR patches, there has not been a major Medicare bill or a Physician Fee Schedule rule since 2006 that did not propose a substantial cut to medical imaging payments or other major policy change. The Deficit

Reduction Act of 2005 (DRA) imposed an arbitrary cap on imaging payments, resulting in many services being reimbursed at rates below their actual cost and reducing spending on medical imaging by *\$1.7 billion in 2007 alone* (CBO had estimated *10-year savings* of \$8.1 billion). The Children's Health and Medicare Protection Act of 2007 was never enacted into law, but included an increase in the equipment utilization rate similar to that enacted in the Affordable Care Act (ACA). The Medicare Improvements for Patients and Providers Act of 2008 included imaging accreditation and appropriateness policies, which we worked with you to include in lieu of additional cuts to payments and which were intended to ensure that Medicare beneficiaries receive the right scan at the right time, rather than imposing arbitrary cuts that do not ensure appropriate use of imaging. Most recently, the ACA increased the utilization rate assumption to 75 percent for services that use "expensive" imaging equipment and increased the multiple procedure payment reduction for contiguous body parts from 25 to 50 percent, which CBO estimated would reduce imaging payments by \$3 billion over 10 years.

On top of these legislative changes, CMS has targeted imaging services in regulation, including adopting the 90 percent utilization rate recommended by MedPAC, further expanding the multiple procedure payment reduction to non-contiguous sites and across modalities, and using deeply flawed survey data to significantly reduce practice expense values for imaging and other services with higher direct practice expenses. Taken together, these repeated cuts have reduced payment rates for many services by more than half and for many others by 30 percent or more. Key examples are MRI of the brain (national payment rate reduced by 60.7 percent from 2006 to 2013, when all CMS cuts have been phased in), DEXA bone density testing (reduced by 67.9 percent by 2013), CT angiography of the abdominal arteries (reduced by 38.6 percent by 2013), and echocardiography (reduced 48.3 percent from 2006 to 2011). Payment for even a simple chest x-ray will have been cut nearly 25 percent by 2013.

The totality of these cuts is shocking. Medical imaging simply cannot withstand another severe cut. To do so will further harm patient access to care in their communities, causing delays in diagnosis and treatment of life-threatening illnesses. We urge you not to include another devastating cut to imaging services in the TAA extension bill.

Sincerely,

Access to Medical Imaging Coalition

American College of Cardiology
American College of Radiology
Association for Quality Imaging
Cardiology Advocacy Alliance
GE Healthcare
Philips Healthcare
Siemens Healthcare
SonoSite
US Oncology