

Part B Insider (Multispecialty) Coding Alert

IMAGING: Your Imaging Reimbursement Could Be In For A Third Hit Soon

Neighboring physicians see 10-percent payment difference

Your practice expenses for MRIs and CT scans may come under the knife soon, if the **Medicare Payment Advisory Commission** has its way.

Imaging scans are already slated for tough cuts next year, including a 50-percent reduction in contiguous scans and cuts to the technical component of many scans. (See PBI, Vol. 7, No. 12.) But you could also see a drop in the work relative value units (RVUs) of these codes, if MedPAC advises Congress to make a change.

Overpaid? Medicare may be overpaying for imaging scans because it assumes you use imaging equipment only 50 percent of the time and you're paying a high interest rate to finance that equipment, the MedPAC commissioners speculated at their April 19-20 meeting. If those assumptions are wrong, then the cost per scan is lower than Medicare thinks.

MedPAC performed a survey of providers and found that, on average, they were using MRI machines 100 percent of the time and CT scans 75 percent of the time. (Some providers were using MRI machines for more hours than they were actually open to business, because they had after-hours or emergency patients using the machines.)

You may be using the profits from imaging scans to cover other, money-losing services to patients, the Commissioners noted. So if Medicare saves money by slashing imaging scans further, the program should put those savings back in to other services, they insisted.

The Commission also talked about problems with Medicare's localities. The **California Medical Association** has questioned whether Medicare is accurately paying for the costs of delivering care in different areas. Right now, Medicare physician payments are different in each of 89 "localities."

The problem: These localities are too big, and they date back to 1966, so they don't reflect changes in economic circumstances. In some parts of California, physicians are receiving 10 percent less for their services than their neighbors, just because they happen to be in a different locality.

MedPAC discussed two separate fixes for this problem, each of which would increase the number of localities and make the system even more complicated than it already is. But with overall Medicare payments remaining flat this year, many physicians need all the boost they can get.