

Part B Insider (Multispecialty) Coding Alert

RADIOLOGY: Alert--Medicare Will Cap Imaging Payments At Outpatient PPS Rates

Congress passes 'stealth cut' of physician reimbursement

The bad news just keeps coming for radiologists and others who provide imaging services.

Not only do you lose 25 percent of your reimbursement for each additional imaging scan when your physician scans the same body area more than once--but next year that "multiple imaging discount" will rise to 50 percent. And now Congress has finally passed the 2006 budget, which included some little-noticed provisions that will make your life even harder.

Imaging cut: Under current law, the money that Medicare saved with that "multiple imaging discount" would have gone back into physician services. So even if your practice lost reimbursement for multiple scans, physicians would have had higher pay for other services. But Congress passed a "stealth cut," saying that Medicare could keep the savings from the discount instead of passing them on to doctors.

Fee cap: Another provision in the budget will cap the technical component (TC) for imaging scans in physician offices. The TC can be no more than the lesser of the Medicare fee schedule or the Hospital Outpatient Prospective Payment System (HOPPS) rate.

Why? In general, Medicare is trying to equalize payment levels between ambulatory surgery centers, hospitals and other settings, notes **Michael Laughlin** with **St. Mary's/Duluth Clinic Health System** in Duluth, MN. That way, providers won't try to make more money by performing a service in a higher-paying location. But this new cap could cause a substantial loss to physician offices and physician-owned imaging centers, he adds.

The multiple imaging discount will hit many providers hard, says **Jeff Fulkerson**, senior certified coder in the radiology department of **Emory Health Care** in Stockbridge, GA. "Physicians who perform the majority of these exams in an office setting will especially feel the change," he adds.

Medicare has 11 "families" of imaging codes, based on location, so the discount will affect two or more codes from any single family.

Note: For more information on payment for imaging, see "How To Cope With Multiple Imaging Discount" later in this issue.