

Part B Insider (Multispecialty) Coding Alert

Reimbursement: Imagine New Red Tape Around Imaging Services

New standards, self-referral rules could stymie non-radiologists

You've got a powerful friend in Washington.

The **Medicare Payment Advisory Commission** will recommend a small increase in payments for physicians in 2006, instead of the estimated 5 percent cut that awaits doctors if Congress takes no action.

Congress should raise physicians' payments by 2.7 percent in 2006, or the rise in "input prices" minus 0.8 percent, commissioners decided at their Jan. 12-13 meeting.

The commission also discussed options for reforming the broken system for updating physician spending each year. Some commissioners were strongly in favor of removing drugs from the payment rate, as the **American Medical Association** wants. But others said that taking out drugs retroactively would reward doctors for overusing expensive drugs in past years.

Meanwhile, MedPAC will recommend limits on physicians ordering and interpreting diagnostic imaging services in its March report to Congress. Under current law, the same physician can order an imaging test and perform and interpret the results of that test. Radiologists have called for a regulation that would bar the same doctor from ordering and interpreting an imaging scan so physicians would have to send scans to qualified radiologists to interpret.

MedPAC will encourage CMS to study doctors' use of imaging services and to set up coding edits to reduce payments when a doctor orders multiple imaging tests on "contiguous body parts." Also, MedPAC will call on Congress to require standards for Medicare providers who perform diagnostic imaging services, including standards for nonphysician staff, equipment and image quality. Congress would also set standards of training, education and experience for doctors interpreting imaging tests.

Expect Crackdown On Docs Ordering, Interpreting Tests

Meanwhile, MedPAC will call for a change in the Stark physician self-referral law to prevent physicians from referring to imaging centers that lease equipment from companies that the physicians own. Doctors could still provide imaging services in their own offices under the "in-office ancillary exception."

When non-radiologists own imaging equipment in their office suites, "the equipment tends to be - and usually in my experience has been - of lower quality, [and] lower cost ... and they get reimbursed the same as a full-fledged imaging center," complained radiologist **Ken Heithoff**, speaking for the **National Coalition for Quality Diagnostic Imaging Services**.

Studies that supposedly show non-radiologists have a worse quality of imaging services or interpretation are inadequate and inconclusive, countered **Camille Bonta** with the **American College of Cardiology**. A study by **Blue Cross-Blue Shield of Massachusetts** showed the highest "failure rate" of imaging among chiropractors and podiatrists, not surgeons and specialty physicians, she noted.

And MedPAC will urge Congress to extend the present moratorium on new physician-owned specialty hospitals. The moratorium is set to expire in June 2005, but MedPAC wants to extend it for another 18 months until Jan. 1, 2007. The extension will give lawmakers and the **Department of Health and Human Services** time to change the rules to eliminate incentives for physician owners to skim off lucrative services.

At its December meeting, MedPAC contemplated a recommendation to scrap the so-called whole-hospital exception to the Stark ethical referral law. That exception is based on the idea that a hospital is too big and diverse for one physician's referrals to significantly influence earnings, but it may not hold true for the new breed of specialty hospitals.

Since December, MedPAC panel members have found that the rise of specialty hospitals partly stems from surgeons' legitimate complaints about general hospitals, such as difficulty scheduling operating-room time. And general hospitals have admitted that specialty hospitals force them to improve their performance. "I have come in the last month or so to realize that this is a whole lot more complex issue" than it initially seemed, said MedPAC Vice Chair **Robert Reischauer**. But scrapping the "whole-hospital" exception isn't off the table forever, the commissioners said.