

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Start Preparing Now For Diagnostic Imaging Cuts

You have until 2007 to scuttle all non-compliant PET scan deals

The **Centers for Medicare & Medicaid Services** is gearing up to cut your practice's payments by a whopping 4.4 percent, according to the final physician fee schedule regulation for 2006.

The 4.4-percent cut is "a requirement of existing law," CMS Administrator **Mark McClellan** told reporters in a Nov. 2 conference call. He called the impending cut further proof that the system isn't sustainable, and "we need to move to a payment system that offers adequate payments for physicians and high-quality services."

Bad news: But some physicians will suffer even bigger cuts in 2006 and 2007, according to the regulation. Even if Congress cancels the 4.4-percent Medicare cut, these changes will still take effect, and you should start getting ready now.

Imaging: If your doctor performs diagnostic imaging procedures on body parts that are next to each other, Medicare will cut payments for each additional body part by 25 percent in 2006, and 50 percent in 2007. CMS is phasing in the change because you commented that changing all at once would impose hardships. Also, the policy doesn't apply to transvaginal ultrasounds or ultrasound of the breasts, while CMS studies those issues.

Nuclear medicine: CMS went ahead with plans to restrict your doctor's investments in nuclear medicine (including PET scans). Now, if your doctor has a "financial relationship" with an entity that provides nuclear medicine or PET scans, he or she can't send patients to that provider. The only exception is if the financial arrangements fit into a "safe harbor," such as having the services take place in your doctor's own office. But your complaints convinced CMS to delay the start of this provision until January 2007.

Inhalation therapy: You'll still get paid \$57 to dispense inhalation therapy services for the first month, but each subsequent month the dispensing fee will drop to only \$33. CMS will develop a demonstration project on care management for patients with chronic lung disease.