



March 31, 2006

Dear Member of Congress:

The undersigned member organizations of the Coalition for Patient Centered Imaging (CPCI) strongly urge members of Congress to halt implementation of Section 5102 of the Deficit Reduction Act (DRA), and direct the Centers for Medicare & Medicaid Services (CMS) to conduct a comprehensive and thorough study of the proposal before any further action is taken to reduce imaging reimbursement rates.

Members of the medical specialty community formed CPCI in 2004 united in the belief that office-based medical imaging is good medicine that benefits patients. Medical imaging provides Medicare beneficiaries with prompt, efficient, high-quality test results that allow for more timely diagnosis and the initiation of treatment. At the same time, in-office medical imaging provides cost savings in other areas of the Medicare program by supplanting invasive diagnostic and therapeutic techniques performed in hospital settings.

Section 5102 of the DRA imposes severe payment reductions for many imaging services paid under the physician fee schedule (PFS). Under the DRA, effective January 1, 2007, the payment for the technical component (e.g., equipment, non-physician personnel, supplies, and overhead) of an imaging service will be set at the Hospital Outpatient Department (HOPD) payment rate, if the PFS payment is higher. CPCI contends that these severe and arbitrary payment cuts will lead to a wide range of adverse, unintended consequences for Medicare beneficiaries and effectively serve to exclude qualified physician specialists from providing imaging services.

This change in Medicare payment policy raises a number of troubling issues:

- **Rushed and Inadequate Process** – Neither Congress, MedPAC, or any other body held a public hearing or meeting on this proposal, nor solicited public testimony or comment.
- **Disproportionate Large Cuts** – The DRA imaging cuts account for roughly one-third of the total Medicare savings in the legislation. Yet, imaging comprises roughly only one-tenth of Medicare spending.
- **Limiting Beneficiary Access to Critical Imaging Services** – These cuts have the strong potential to drive imaging from physician offices back into hospital outpatient departments, likely limiting Medicare beneficiaries' access to local imaging services and impeding timely diagnosis and treatment.
- **Longer Wait Times and Increased Co-Payments for Medicare Patients** - On average, patients already wait 10 days to two weeks for non-urgent imaging services in the hospital outpatient department. Reduced access to imaging services in physician offices and free-standing imaging centers could increase patient wait times dramatically. Co-

payments also will jump from 20 percent in the physician office setting to up to 40 percent of charges in the hospital outpatient department setting.

- A Failure to Recognize the Fundamental Differences Between the Costs Associated with Practicing Medicine in a Physician's Office, and Practicing Medicine in a Hospital Outpatient Department - The different payment formulas for each site of service are specifically designed by Congress to take into account the unique differences and costs of providing care in each setting. Linking reimbursement under the PFS system to the HOPD system ignores real-world costs in personnel, rent, and supplies that physicians in non-hospital settings must deal with daily.

Once again, CPCI urges you to take swift action to halt implementation of Section 5102 of the DRA before it takes effect on January 1, 2007. Without congressional intervention, Medicare beneficiary access to crucial imaging services could be jeopardized.

Please feel free to contact Aaron Krupp at (202) 293-3450 or ank@mgma.com should you have any questions or need additional information. Thank you for your consideration.

Sincerely,

American Academy of Orthopaedic Surgeons
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American College of Cardiology
American College of Gastroenterology
American Gastroenterological Association
American Medical Group Association
American Society for Gastrointestinal Endoscopy
American Society of Breast Surgeons
American Society of Neuroimaging
American Urological Association
Medical Group Management Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery