



## Computed Radiography (CR) Reimbursement Cuts

The 2016 Consolidated Appropriations Act mandates a cut for Medicare and Medicaid reimbursements to the Technical Component (TC) portion of reimbursements for X-Ray services utilizing computed radiography (CR) and analogue (film) as opposed to using digital radiography (DR). Cuts to CR began January 1, 2018 at 7% and will escalate in 2023 to 10%. The TC comprises about 75% of a practice's reimbursement under Medicare and Medicaid for services rendered.

**According to a 2016 survey of AAOS members, of the practices that use CR to diagnose musculoskeletal abnormalities, 85% indicated that CR was their preferred method because it is easy to use, easily portable, and has the ability to capture long-form images, such as a spine.**

Both CR and DR are digital methods of X-Ray. Both methods allow for storage in a picture archiving and communication system (PACS) and transfer between physicians utilizing an electronic health record (EHR).

**If Congress intends to incentivize physicians to switch to the newer technology, it should legislate financial incentives to encourage the transition, not punitive measures for failing to upgrade to a newer but arguably not clinically advantageous radiological process.**

### **Why This Cut Matters:**

**Failure to end or delay these cuts could lead directly to staff reductions, delays or freezes on facility upgrades, and even a reduction in the acceptance of Medicare/Medicaid patients.**

According to the AAOS survey, 78% of practices use CR to diagnose musculoskeletal abnormalities. Cost to transition equipment from CR to DR can vary but range from \$80,000 to \$100,000 per machine. This is an extraordinary burden to put on such a large portion of service providers.

Providers that choose not to upgrade will forfeit an average of \$19,287 a year beginning in 2018. Assuming that these cuts continue through 2023, the total cost would be \$96,435. In 2023, these practices will then lose an average of \$27,568 per year for the life of this policy.

### **AAOS Recommends:**

**The AAOS recommends repealing or delaying the harmful and unnecessary cuts to reimbursement for computed radiography.**