



# AAACE LEGISLATIVE FACT SHEET



## **PROTECTING PATIENT ACCESS TO HIGH QUALITY IMAGING SERVICES – SUPPORT PASSAGE OF H.R. 5704/S. 3795**

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**BACKGROUND:** Section 5102 of the Deficit Reduction Omnibus Reconciliation Act of 2005 (DRA) requires that the Medicare payment for the technical component (e.g., equipment, non-physician personnel, supplies, and overhead) of an imaging service to be set at the Hospital Outpatient Department (HOPD) payment rate, if the HOPD rate is lower than the Physician Fee Service (PFS) payment rate. This change in payment policy, which takes effect on January 1, 2007, was included without any public deliberation by either body of Congress. There has been no analysis of the potential impact of this change in payment policy, however for the endocrinologist performing imaging services in office the policy impact is significant.

**THE PROBLEM:** The imaging payment provision enacted in the DRA will undermine beneficiary access to imaging services by increasing co-pays, wait times and travel time for Medicare beneficiaries.

- **Higher Costs for Medicare Patients:** In most instances, beneficiaries do pay higher co-pays for imaging services in the hospital outpatient department, as co-pays are 40% in the HOPD versus 20% outside of the HOPD and the 40% in the HODP is based on charges versus 20% of the actual payment, as is the case with the Physician Fee Schedule. This new policy will be particularly burdensome for low-income beneficiaries and those living on fixed incomes.
- **Longer Wait Times for Medicare Patients:** On average, patients already wait 10 days to two weeks for non-urgent imaging services provided in the hospital outpatient department. Reduced access to imaging services in the physician's office and in free-standing imaging centers could increase these wait times.
- **Reduced Access for Medicare Patients in Rural Areas:** Medicare beneficiaries in rural areas may also be forced to drive long distances for imaging services due to a lack of providers.

### **The Impact of the Payment Cuts on Endocrinology:**

The impact of the payment cuts that this provision will exact on imaging services in the endocrinologist's office is significant. By linking payments for imaging services to the HOPD rate, the reimbursement is now severed from the actual costs of owning and operating imaging equipment, greatly reducing funds available for equipment maintenance and well-trained staff to support the equipment.

- **Ultrasound**
  - The technical component payment for ultrasound guidance procedures performed as part of a minimally invasive biopsy for thyroid nodules will be reduced by 44%.
- **DEXA Bone Density Scans**
  - The technical component payment for bone densitometry studies necessary for the diagnosis of women at risk for osteoporosis (a recently enacted Medicare screening benefit) would be reduced by over 40%.

**REQUEST:** Please co-sponsor and actively support the "Access to Medical Imaging Act of 2006." (H.R. 5704/S. 3795), legislation that delays the implementation of the Medicare imaging cuts under Section 5102 of the DRA until 2009, while the General Accounting Office (GAO) conducts a thorough study of the impact on patient access and services.