Modification of Equipment Utilization Factor for Advanced Imaging Services

**Summary:** Sets the assumed utilization rate at 75 percent for the practice expense portion of advanced diagnostic imaging services.

**Status update:** On July 1, 2011, the Centers for Medicare and Medicaid Services (CMS) issued a proposed rule that would update payment policies and rates for physicians and nonphysician practitioners (NPPs) for services paid under the Medicare Physician Fee Schedule (MPFS) in calendar year (CY) 2012. As part of that proposed rule, CMS also proposed to expand its multiple procedure payment reduction to the professional interpretation of advance imaging services to recognize the overlapping activities that go into valuing these services.

**Next steps:**
- June 25, 2010 – CMS issues regulations regarding the new imaging payment rules.
- July 1, 2010 – CMS increases the established MPFS multiple procedure payment reduction for the technical component of certain single-session imaging services to consecutive body areas from 25 to 50 percent for the second and subsequent imaging procedures performed in the same session.
- August 24, 2010 – Comments due to the CMS regarding the proposed rule.
- Not later than November 1, 2010 – CMS will respond to comments.
- July 1, 2011 – CMS will assign a 75 percent equipment utilization rate assumption to expensive diagnostic imaging equipment used in diagnostic computed tomography (CT) and magnetic resonance imaging (MRI) services.
- July 1, 2011 – CMS issued proposed rule.
- August 30, 2011 – Comments due on proposed rule.
- November 1, 2011 – CMS final rule.
- January 1, 2012 – Changes for calendar year 2012 go into effect.

**Additional information:**
• CMS background regarding imaging multiple procedure payment reduction --

Long summary:
Sec. 3135. Modification of equipment utilization factor for advanced imaging services.
For Medicare fee schedules established for 2011 and subsequent years, increases from 50% to 75% the utilization rate assumption for determining the practice expense relative value units in the methodology specified for expensive diagnostic imaging equipment under the final rule published by the Secretary in the Federal Register on November 25, 2009 (42 CFR 410 et al). Excludes reduced expenditures due to the change from the determination of budget neutrality.

For services furnished on or after July 1, 2010, increases the reduction in payments attributable to the multiple procedure payment reduction applicable to the technical component for imaging under the final rule published by the Secretary in the Federal Register on November 21, 2005 (part 405 of title 42, Code of Federal Regulations) from 25% to 50%. Excludes reduced expenditures due to the change from the determination of budget neutrality, but not for services furnished before July 1, 2010.

By January 1, 2013, requires the CMS chief actuary to make publicly available an analysis of whether the cumulative reduction in expenditures due to the above changes exceeds $3 billion for the period 2010 to 2019.

Legislative text:
SEC. 3135. MODIFICATION OF EQUIPMENT UTILIZATION FACTOR FOR ADVANCED IMAGING SERVICES.
SEC. 1107. PAYMENT FOR IMAGING SERVICES.
Section 1848 of the Social Security Act (42 U.S.C. 24 1395w–4), as amended by section 3135(a) of the Patient Protection and Affordable Care Act, is amended—
(1) in subsection (b)(4)—
(A) in subparagraph (B), by striking “this paragraph” and inserting “subparagraph (A)”;
and
(B) by amending subparagraph (C) to read as follows:
“(C) ADJUSTMENT IN IMAGING UTILIZATION RATE.—With respect to fee schedules established for 2011 and subsequent years, in the methodology for determining practice expense relative value units for expensive diagnostic imaging equipment under the final rule published by the Secretary in the Federal Register on November 25, 2009 (42 CFR 410, et al.), the Secretary shall use a 75 percent assumption instead of the utilization rates otherwise established in such final rule.”;
and
(2) in subsection (c)(2)(B)(v), by adding at the end the following new subclauses:
“(III) CHANGE IN UTILIZATION RATE FOR CERTAIN IMAGING SERVICES.—Effective for fee schedules established beginning with 2011, reduced expenditures attributable to the change in the utilization rate applicable to 2011, as described in subsection (b)(4)(C).”.

(b) ADJUSTMENT IN TECHNICAL COMPONENT “DISCOUNT” ON SINGLE-SESSION IMAGING TO CONSECUTIVE BODY PARTS.—Section 1848 of the Social Security Act (42 U.S.C. 1395w–4), as amended by subsection (a), is amended—
(1) in subsection (b)(4), by adding at the end the following new paragraph:
“(D) ADJUSTMENT IN TECHNICAL COMPONENT DISCOUNT ON SINGLE-SESSION IMAGING INVOLVING CONSECUTIVE BODY PARTS.—For services furnished on or after July 1, 2010, the Secretary shall increase the reduction in payments attributable to the multiple procedure payment reduction applicable to the technical component for imaging under the final rule published by the Secretary in the Federal Register on November 21, 2005 (part 405 of title 42, Code of Federal Regulations) from 25 percent to 50 percent.”;
and
(2) in subsection (c)(2)(B)(v), by adding at the end the following new subparagraph:
“(VI) ADDITIONAL REDUCED PAYMENT FOR MULTIPLE IMAGING PROCEDURES.—Effective for fee schedules established beginning with 2010 (but not applied for services furnished prior to July 1, 2010), reduced expenditures attributable to the increase in the multiple procedure payment reduction from 25 to 50 percent (as described in subsection (b)(4)(D)).”.

(c) ANALYSIS BY THE CHIEF ACTUARY OF THE CENTERS FOR.—Not later than January 1, 2013, the Chief Actuary of the Centers for Medicare & Medicaid Services shall make publicly available an analysis of whether, for the period of 2010 through 2019, the cumulative expenditure reductions under title XVIII of the Social Security Act that are attributable to the adjustments under the amendments made by this section are projected to exceed $3,000,000,000.