

## 2024 Medicare Physician Fee Schedule Final Rule: Impact on Radiologists

### Introduction

The Centers for Medicare & Medicaid Services (CMS) recently finalized the [2024 Medicare Physician Fee Schedule](#) (MPFS), outlining key changes that will significantly affect radiologists. This white paper provides an in-depth analysis of the finalized rule, focusing on reimbursement adjustments, the pause of the Appropriate Use Criteria (AUC) program, and the implications for radiology practices.

### Reimbursement Adjustments

The finalized 2024 conversion factor, which determines payment rates, is set at \$32.74, reflecting a 3.4% decrease from the previous year. Radiologists are expected to face a 3% overall pay decrease, with interventional specialists seeing a more substantial 4% decrease. These figures, however, may underestimate the actual impact, as they do not incorporate payment changes related to the Consolidated Appropriations Act of 2023 (CAA).

The Medicare Economic Index, indicating inflation in medical practice costs, rose by 4.6%, the highest uptick this century. Adjusting for inflation, Medicare physician payment has effectively declined by 26% between 2001 and 2023. This decline, coupled with the 2024 cuts, raises concerns about financial stability, as noted by the American Medical Association (AMA).

The AMA emphasizes the need for legislative solutions such as the [Strengthening Medicare for Patients and Providers Act](#), a bipartisan bill proposing a permanent annual inflationary physician payment update tied to the Medicare Economic Index.

### AUC Program Pause

CMS confirmed the suspension of the imaging Appropriate Use Criteria (AUC) program, initially established in 2014. This program required physicians to consult a decision-support system before ordering advanced imaging, aiming to reduce healthcare waste. The pause, effective January 1, 2024, raises questions about the future of AUC and its potential return.

The American College of Radiology, a supporter of the AUC program, recognizes the challenges faced by CMS in real-time claims processing and is actively working with Congress to streamline and modernize the AUC program.

### Quality Payment Program (QPP)

Radiologists will experience changes in the QPP, with some modifications from the proposed rule. The performance threshold remains at 75 points for the 2024 performance year, avoiding an increase to 82 points as initially suggested.

Radiology practices benefit from the inclusion of Measure #436: Excessive Radiation Dose or Inadequate Image Quality for Diagnostic Computed Tomography (CT) in Adults. This measure will be implemented in performance year 2025. However, certain Quality Measures that have been useful for radiologists in the past will be removed in 2024, including:



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- Measure #147, Nuclear Medicine: Correlation with existing imaging studies for all patients undergoing Bone Scintigraphy
- Measure #324, Cardiac Stress Imaging not meeting appropriate use criteria: Testing in asymptomatic, low-risk patients

Five Improvement Activities will be added and 3 will be gotten rid of in this Final Rule, but this doesn't have much impact on radiology. The MIPS Value Pathways (MVPs) are getting more attention in general, but 6 MVPs are required for reporting and only 4 apply to radiology.

### **Conclusion**

The 2024 MPFS introduces challenges for radiologists, with reimbursement cuts and the pause of the AUC program. The financial impact on practices is significant, raising concerns about the overall stability of Medicare physician payments. Legislative remedies, such as the Strengthening Medicare for Patients and Providers Act, are advocated by the AMA to address the declining conversion factor and ensure fair compensation for healthcare providers.

Radiology practices should stay informed about ongoing legislative developments and prepare for the evolving landscape of reimbursement. Please contact your Practice Manager with any questions about how this final rule will impact your business.

### **Sources**

- <https://radiologybusiness.com/topics/healthcare-management/healthcare-policy/medicare-finalizes-2024-physician-fee-schedule-radiologist-pay-cuts-pause-auc-program>
- <https://info.hapusa.com/blog-0/medicare-fee-schedule-2024-final-rule-includes-payment-reductions-for-radiology>
- <https://public-inspection.federalregister.gov/2023-24184.pdf>