

Diagnostic Radiology Reimbursement Concerns

The Medicare Payment Advisory Commission (MedPAC) is recommending a 0% physician pay update for 2023. This comes in conjunction with new research published in January showing Diagnostic Radiology absorbed a 44% Medicare reimbursement reduction across the 50 most common imaging exams over the last decade when adjusting for inflation. Doctors have said they are appreciative of Congress' action to avert nearly a 10% cut to provider payments in 2022, but believe a more stable annual update is needed to keep pace with inflation and innovation in medicine.

MedPAC approved the decision deeming the current physician pay as adequate, number of clinicians' stable, patient experience scores remain high, commercial rates exceed Medicare rates and compensation increased between 2019-2020 despite the pandemic. Medicare payments to providers did drop by \$9 billion in 2020. However, the decrease was offset by \$17 billion in relief funds and another \$18 billion in forgiven loans through the Paycheck Protection Program.

"Hard to conceive of a more misguided recommendation to Congress at a time when practices face massive staffing shortages and skyrocketing expenses," Anders Gilberg, senior VP of government affairs for the Medical Group Management Association, tweeted Jan. 13, while noting that the consumer price index is up 7%."

Only three services saw pay increases between 2011-2021, including radiographs with varying views of the abdomen (up 2.5%), hip (3.3%) and femur (6%). However, many others have sizable drops with ultrasound guided biopsies (down 75%), DEXA bone axial (66.2%) and MRI of the brain without contrast (64.1%) were among the biggest decreases. These numbers appear troublesome and show strong evidence for payment reform.

Study authors gathered their global reimbursement data from the Centers for Medicare & Medicaid Services. They noted that the one increase in reimbursement for diagnostic radiology was recorded between 2016-2017 (0.2%). On the other side, 2013-2014 saw the steepest decline at 16%, while the overall annual percent change averaged about -5.5%. MRI experienced the biggest drop during the study period at 60.6% followed by reductions in CT (44.4%), ultrasound (31.3%) and radiographs (6.2%). In addition, the average wRVUs also dropped 1.3% during the study, falling from 0.79 to 0.78. About 68% of imaging exams experienced no change in wRVUs, nine had a reduction and seven sustained increases. Maxillofacial CT without contrast dropped the most at -25% (1.14 to 0.85) and limited breast ultrasound increased the most at 26% (0.54 to 0.68).

"The relative stability of both wRVUs and [the conversion factor] has likely contributed to reimbursement not keeping up with inflation but may not fully explain the 44% overall reduction in adjusted reimbursement," Derrek Schartz, MD and co-authors wrote. "Other possible factors contributing to this decline include the technical component and geographic component, both of which could be investigated in future studies on reimbursement in radiology."

With these numbers the American Medical Association (AMA) said the decision will "imperil" patient access at a time when practice costs continue to climb. In recent AMA research, they found Medicare physician payments dropped 20% between 2001-2020 and with these inadequate reimbursements it is



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spurring consolidation among providers at a time when COVID continues to challenge physician finances. “Burnout, stress, workload, and fear of COVID-19 infection are leading one in five physicians to consider leaving their current practice within two years. MedPAC’s analysis of payment adequacy relies on trailing indicators and does not account for these canaries in the coal mine,” AMA President Gerald Harmon, MD, said in a statement.”

The American College of Emergency Physicians called the decision a “slap in the face” to frontline providers.

“ACEP strongly believes that a zero percent update to physician reimbursement in CY 2023, which is an update Congress enacted six years ago in the Medicare Access and Chip Reauthorization Act, is artificially low and does not nearly cover the increased cost due to inflation of provider care to Medicare beneficiaries,” President Gillian Schmitz, MD, stated “Therefore, ACEP strongly encourages MedPAC to reverse course and instead recommend ongoing stable updates to the PFS,” she added later.

MedPAC’s advisory, nonbinding decision is expected to be included in its March 2022 report to Congress.

APS looks to provide ongoing support and information to our clients. As always, APS will continue to monitor and provide updates as they become available. Should you have any questions, please contact your APS Practice Manager.