## Controversy Over Utilization Rate

The Access to Medical Imaging Coalition (AMIC) continued in June to represent the imaging community in speaking out against proposed increased Medicare utilization requirements for imaging equipment. In a press release issued on June 28, the coalition cited a recent study by the Radiology Business Management Association (RBMA) indicating that the amount of time imaging equipment is in use in outpatient settings does not approach use rates President Obama and the Medicare Payment Advisory Commission (MedPAC) have recommended for calculation of Medicare reimbursement. The RBMA data, based on 261 imaging machines in 46 centers, show that imaging equipment in rural regions of the United States operates only 48% of the time during which an office is open and that equipment in nonrural areas operates only 56% of the time. Neither rural nor urban nonhospital diagnostic imaging providers operate equipment at the levels the President and MedPAC recommend that the Centers for Medicare & Medicaid Services (CMS) use to base reimbursements.

In May, President Obama recommended that CMS base its reimbursement formula on a 95% utilization rate for advanced imaging equipment. MedPAC has recommended a 90% utilization rate for equipment that costs more than $1 million. On June 18, 3 members of the U.S. House of Representatives released a draft bill that followed suit by calling (among other items) for an adjustment of the assumed utilization rate from 50% to 75%. The Congressional Budget Office has estimated savings of nearly $1 billion over 5 y and of almost $2 billion in a decade if such change is adopted. Finally, on July 2 CMS announced a proposed 90% utilization rate assumption. "The current payment rates assume that a physician who owns this type of equipment will use it about 50% of the time, but recent [MedPAC] survey data suggest this expensive equipment is being used more frequently. As the use of this type of equipment increases, the per-treatment costs for purchasing, maintaining, and operating the expensive equipment declines, making a reduction in payment appropriate," stated a CMS press release.

The utilization assumption for advanced imaging equipment is a key component of the Medicare formula used to calculate reimbursements for all Medicare services, including diagnostic imaging. Dramatically increasing the utilization assumption to a level significantly higher than actual use rates would result in a severe cut for imaging reimbursements that could impair access to imaging services and cause patients to delay or forgo necessary imaging procedures. The AMIC noted that these effects would be especially marked in rural areas. "Spending on advanced imaging has decreased significantly since 2005, and imaging use has essentially flattened. When it comes to imaging, the curve has already been bent," said Tim Trysla, AMIC executive director. When calculating its reimbursement formula for diagnostic imaging services, CMS currently assumes that imaging equipment is in use, on average, 50% of the available time, a rate similar to that noted by the RBMA. "If policymakers want Medicare's reimbursement formula to mirror actual imaging equipment utilization rates in both urban and rural practices, our data demonstrate CMS' current use rate assumption is more accurate than what Congress and the Administration are proposing," said Michael Mabry, RBMA executive director.

MedPAC's data on utilization were collected *before* the severe cuts that resulted from enactment of the Deficit Reduction Act (DRA) of 2005 and do not consider the intervening impact on rural providers. The recommendation and the congressional response come at a time when a recent study by The Moran Company indicates that after DRA cuts Medicare spending on advanced imaging—specifically CT, MR, and nuclear medicine—was reduced by 19.2% from 2006 to 2007 and that the volume of these services grew by a modest 1.9%. The 1.9% growth rate for advanced imaging is lower than the overall growth rate for Medicare physician payments in general.

The AMIC recommended that the Department of Health and Human Services launch a public–private partnership tasked with collecting more comprehensive and accurate data from equipment scanning logs that measure the actual time an imaging machine is turned on and in use. The AMIC was organized in early 2006, soon after Congress passed the DRA. SNM is among the many professional societies, industry groups, and individual practices that support the AMIC. For more information on this and other AMIC efforts, visit the Web site at: http://rightscanrighttime.org

*Access to Medical Imaging Coalition*

## MedPAC, System Incentives, and Self-Referral News

On June 15 the Medicare Payment Advisory Commission (MedPAC) released its mid-year 2009 *Report to the Congress,* titled *Improving Incentives in the Medicare Program.* According to a press release, the report focuses on ways in which incentives in the Medicare payment systems could be changed to strengthen the program and promote quality care for Medicare beneficiaries. MedPAC is an independent congressional advisory body charged with providing policy analysis and advice concerning the Medicare program and other aspects of the health care system. "To achieve better care

coordination and efficiency, Medicare must change the way it pays health care providers," said Glenn Hackbarth, chair of the commission. "Current incentives reward volume instead of value and costly care instead of efficient, effective care. When providers don't work together, quality suffers and costs increase—which benefits neither the patient nor the Medicare program." In the report, the commission identified several areas for potential change, including: the ways in which Medicare supports graduate medical education, increased attention to promotion of coordination and improved quality in accountable care organizations, addressing the demands of escalating drug costs and follow-on biologics, and the structure of Medicare benefits. The report also provided an overview of the current state of chronic care management.

Of interest to the imaging community was the MedPAC focus on findings relative to self-referral in imaging. These findings suggest that when physicians have a financial interest in imaging equipment, they are more likely to order imaging tests and incur higher overall spending on their patients' care. The study also determined that imaging performed in in-office environments is more expensive than similar services provided elsewhere. Moreover, additional tests and treatments that follow an initial self-referred imaging study tend to be more expensive than care provided after non-self-referred imaging.

Soon after the release of the report, Rep. Jackie Speier (D-CA) introduced the Integrity in Medicare Advanced Diagnostic Imaging Act of 2009 (HR 2962), which would amend Title XVIII of the Social Security Act to exclude certain advanced diagnostic imaging services from the in-office ancillary services exception to the Stark laws, effectively closing what has become known as the "Stark law loophole." The new laws would ban in-office self-referral for MR, CT, and PET imaging but not for x-ray, ultrasound, and fluoroscopy. Other than PET, nuclear medicine studies would not be covered by the law. Studies for radiation therapy treatment planning and as part of interventional radiology procedures would not be covered. As of July 1, the bill had no cosponsors and had been referred to the House Energy and Commerce Committee and the House Ways and Means Committee.

*MedPAC*

*U.S. House of Representatives*

## Imaging e-Ordering Coalition Formed

On June 16 an alliance of health care providers, technology companies, and medical imaging organizations announced the launch of the Imaging e-Ordering Coalition, a national initiative to promote health information technology (HIT)–enabled decision support (e-ordering) to ensure that all patients receive the most medically appropriate diagnostic imaging tests for their conditions. Members of the coalition will help educate policy makers and health care providers about the patient-centered efficiencies of e-ordering and lobby for efforts to extend electronic prescription initiatives to include diagnostic imaging. "As the health care industry, federal government, and various regulatory bodies evaluate strategies to contain the rising cost of health care, e-ordering is increasingly recognized as a cost-effective and data-driven approach to assure clinical best practices are applied to all ordering decisions," said Bibb Allen, MD, of the American College of Radiology (ACR), a founding member of the coalition. "Expanding on the e-prescribing model, e-ordering will do for diagnostic imaging what e-prescribing has done for the drug prescription process: simplify the way physicians' decisions for patient care are verified as medically appropriate and safe without compromising the physician–patient relationship."

The coalition is focused on a number of immediate initiatives to: (1) promote existing HIT legislative concepts to inform policymakers on the value of e-ordering to enable the appropriate use of imaging; (2) ask lawmakers to include e-ordering in the development of health care system efficiency incentives; (3) act as a resource for the Centers for Medicare & Medicaid Services (CMS) on its Medicare Imaging Demonstration Project established by Congress; (4) work with policymakers to have the coalition's e-ordering proposal for CMS scored to validate long-term value and savings for the health care industry; and (5) work with stakeholders to establish standards to accelerate e-ordering as a meaningful and valuable application with electronic health records.

An immediate advantage in e-ordering is that its routine use could eliminate many of the issues currently associated with radiology benefit managers (RBMs), who manage utilization and costs associated with high-tech diagnostic exams. "The growing emphasis at all levels of the federal government to encourage adoption of HIT presents an opportunity for the coalition to elevate e-ordering as a much more provider-friendly, patient-centered alternative to the RBM model," said Liz Quam, director of the Center for Diagnostic Imaging Institute and founding member of the Imaging e-Ordering Coalition. "As a provider of diagnostic imaging services in 9 states, my company has seen the inconsistencies in insurers' utilization efforts. . . .Using an electronic decision support tool offers regulators and insurers the assurance that the patient is receiving appropriate care without adding unnecessary time or administrative expense."

The ACR, the Center for Diagnostic Imaging, GE Healthcare, Medicalis, Merge Healthcare, and Nuance Communications, Inc., are the founding members of the coalition.

*Imaging e-Ordering Coalition*

## Draft FDA Guidance on Research Without an IND Application

The U.S. Food and Drug Administration (FDA) on June 5 released draft guidance for industry and researchers titled "The Radioactive Drug Research Committee [RDRC]: Human Research

Without an Investigational New Drug [IND] Application." This draft guidance provides information to those using radioactive drugs for certain research purposes to help determine whether research studies may be conducted under an FDA-approved RDRC or whether research studies must be conducted under an IND application. In addition to providing a definition of basic research, the document also offers answers to frequently asked questions on conducting research with radioactive drugs and provides information on the membership, functions, and reporting requirements of an RDRC approved by the FDA. The pharmacologic and radiologic dose limits that determine the answers to many of these questions are also detailed. Comments and suggestions about the draft document should be submitted by September 1 electronically to www.regulations.gov or by hard copy to the Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

*FDA*

## Patient-Centered Research Report Outlines Priorities

The Federal Coordinating Council for Comparative Effectiveness Research (CER) released to the U.S. Congress on June 29 its recommendations for the ways in which the U.S. Office of the Secretary of Health and Human Services (HHS) should spend $400 million in funds for patient-centered research. The report, which was mandated by the American Recovery and Reinvestment Act, also catalogues current federal activities on CER, which had not previously been inventoried. "This essential patient-centered research will help give patients and doctors more information so they can make the best decisions," said HHS Secretary Kathleen Sebelius. "The council has produced an important tool that will help us better target our investments in this vital area of health care research. I was impressed by the amount of public input that was incorporated into their report; especially the focus on funding research for populations who have been left behind or left out."

The report includes a definition of CER, criteria for determining which research projects should be a priority, and a strategic framework to identify gaps and future priorities. The council focused on the unique role that Office of the Secretary funds could play in complementing and leveraging funding currently allocated to the Agency for Healthcare Research and Quality, National Institutes of Health, and other government agencies. Recommendations included: better sharing of CER results with doctors and patients; a focus on the needs of priority (elderly, minority, and disabled) populations; a focus on specific "high-impact" health arenas, such as medical and assistive devices, surgical procedures, and behavioral interventions and prevention; and investments in an enhanced data infrastructure.

The report is available at www.hhs.gov/recovery/programs/cer.

*U.S. Department of Health and Human Services*

## Medical Imaging Tourism in Taiwan

Taiwan health care providers are expanding their technical bases and outreach to accommodate and appeal to growing numbers of "medical tourists" from mainland China, according to a June 24 report from Channel NewsAsia. More than 3,000 mainlanders visit Taiwan every day, and medical tourism brings in more than US$21 million each year, a figure expected to rise to US$30 million in the next 5 y. The biggest demand is in the area of high-end medical screening, including nuclear medicine procedures. Leu Jyh-Gang, MD, chief of the Health Management Department at Shin Kong Memorial Hospital (TaiPei) said: "This is Taiwan's big chance. We provide detailed and high-quality exams, plus years of experience. We offer packages combining health checkups and travelling. For instance, a PET scan costs US$1,550 on the mainland. For the same price, Chinese visitors can have a PET scan and a 5-day tour in Taiwan." Representatives from 12 Taiwan hospitals will take part in the 2009 Hong Kong tourism show. Yeh Ming-Shui, executive vice president of the Taiwan External Trade Development Council, told the Channel NewsAsia reporter that the group would also provide information on Taiwan's expertise in dental implantation, modern Chinese medicine, and orthopedics. To compete with Thailand and Singapore, which have established active international medical tourism programs, the Taiwan government and industry have initiated a travel program that focuses on advanced imaging screening procedures and elective procedures such as cosmetic and laser eye surgery and spa programs.

*Channel NewsAsia*

## Firm Markets "Radiation Protection" Pill

Premier Micronutrient, Inc. (Nashville, TN), announced in June that it would market the BioShield Radiation pill, a nutritional supplement intended to "protect against the results of oxidative stress caused by ionizing radiation." The Web site for the product (www.bioshieldpill.com) features testimonials from the makers and the medical community and summarizes related work conducted with the U.S. Department of Defense and the National Aeronautics and Space Administration. The pill is being marketed for patients undergoing medical or dental x-ray procedures (including CT, nuclear medicine, and mammography) as well as to frequent fliers exposed to higher levels of radiation on high-altitude flights. Also targeted are those regularly exposed to ionizing radiation in their workplaces, such as nuclear medicine and radiologic technologists, nuclear power plant personnel, and pilots. Manufacturers are not required to register most dietary supplements with the U.S. Food and Drug Administration (FDA) before production or sales. Newsline brings this product to the attention of the nuclear medicine community because

patients and staff are likely to seek advice about the efficacy of this and similar products.

*PR Newswire*

## Iran's Research Institute for Nuclear Medicine

An article on SPECT and PET imaging in the July issue of Newsline (*J Nucl Med*. 2009;50: 16N−18N) failed to include a line indicating that authors Gholamrezanezhad and Mirpour are part of the Research Institute for Nuclear Medicine (RINM; Teheran, Iran). The first nuclear medicine center in Iran, the RINM was founded in 1967 and has focused for more than 4 decades on educational, research, diagnostic, and therapeutic activities. The country's first nuclear medicine training department was established there in 1981. More than 90% of nuclear medicine physicians practicing in the 130 nuclear medicine centers in Iran completed their residency training at RINM. The *Iranian Journal of Nuclear Medicine* is published at the institute. Nuclear medicine activities there include diagnostic imaging procedures, in vitro and laboratory studies, and therapeutic interventions. More than 90% of Iran's radioiodine treatments for thyroid cancer are performed in the institute's treatment ward. Faculty at the RINM will install the country's first PET/CT unit in the near future. The RINM was named in 2008 as a "Center of Excellence" in nuclear medicine by Iran's Center of Medical Education Studies and Development, part of the Deputy Ministry for Education, Ministry of Health and Medical Education. The RINM Web site is available at: http://rinm.tums.ac.ir .

*Research Institute for Nuclear Medicine*
*Teheran, Iran*

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*(Continued from page 29N)*

significantly. This year SNM received a record number of abstracts from researchers around the world who wished to share their research with other leaders in their field. We are confident that the quality of SNM's education programs will continue to flourish as Peter Herscovitch, MD, takes the helm for the next 3 y.

Thank you to all of our members and exhibitors for an excellent Annual Meeting. We are grateful for your continued support—and pledge to advance the field through leadership, advocacy, and education.

*Virginia Pappas, CEO, CAE*