

NEWS BRIEFS

Charting the Impact of Medicare Reform

To assess the new Medicare fee schedule's impact on nuclear medicine, The Society of Nuclear Medicine (SNM) and the American College of Nuclear Physicians (ACNP) are conducting a survey of payment rates at practices around the U.S.

The SNM and ACNP estimate that nuclear medicine Medicare reimbursement will be decreased approximately 42% when the new fee schedule, which took effect on January 1, is fully applied in 1996. Surveyors sent questionnaires in late December to some two dozen nuclear medicine physicians selected by geographic location and patient mix. The survey will compare fees for representative procedures such as thyroid and bone scans as they were in 1990 to projected levels in 1996 under the revamped Medicare system. The SNM and ACNP Office of Government Relations and Pat Miale of Westmed Nuclear Medicine Associates of Ft. Lauderdale, Florida are coordinating the survey.

Congress mandated in 1989 that a resource-based relative value scale (RBRVS) replace the charged-based system Medicare has used for the past 25 years. Under the RBRVS, each medical service is assigned a relative value comprising geographically adjusted values for work, practice costs, and malpractice insurance premiums. Relative values are multiplied by a monetary conversion factor to determine the Medicare payment rate.

The SNM and ACNP will use the results of the nuclear medicine survey to judge the adequacy of published RVUs. The Health Care Financing Administration (HCFA) listed RVUs for about 7,000 services in its final rule on the Medicare fee schedule. All of the RVUs published in the final rule are open to comment until March 25. If HCFA makes changes in response to comments, they will take effect on January 1, 1993.

One aspect of RVUs that nuclear med-

icine specialty groups already disfavor is the lack of distinction between nuclear medicine and radiology. The Medicare final rule provided no separate increases for nuclear medicine relative value units. The Office of Government Relations plans to bring the issue to Congress. Because payments for nuclear medicine services were subjected to reductions under the Radiology fee schedule before the final Medicare plan was implemented, the Office of Government Relations will seek further relief from some Medicare payment reductions.

In a letter to members, SNM President Leon S. Malmud, MD and ACNP President Terence Bevin, MD say the societies plan to work with other medical specialty groups and with Congress to resolve remaining concerns with the Medicare system. A priority issue is changing HCFA's "new physician" rule, which provides for lesser Medicare payments to physicians who are in their first to fourth years of practice. ■

Companies Clash over Technicare Technology

Trionix Research Laboratory, Inc. is suing ADAC Laboratories and four former Trionix employees now working for ADAC, disputing the Milpitas, California-based firm's acquisition of gamma camera technology originally owned by Johnson & Johnson. Denying any wrong doing, ADAC officials have vowed to file a counter suit against Trionix.

Trionix, headquartered in Twinsburg, Ohio, alleges that ADAC "improperly" obtained the means to manufacture gamma camera detectors developed by Technicare, the erstwhile subsidiary of Johnson & Johnson. When ADAC hired four Trionix field service engineers, Trionix claims that ADAC and the ex-employees violated non-competition agreements between Trionix and its workers "in a systematic campaign to induce an important group of Trionix

employees away. . ." Trionix announced the lawsuit in a statement to the news media that the company also distributed at the annual meeting in December of the Radiological Society of North America.

Calling the Trionix charges "ludicrous," ADAC's Robert Starr, manager of investor relations, says, "We believe the suit is wholly without merit and if appropriate we will seek damages for this abuse of the legal system." ADAC lawyers planned to file their response to Trionix by mid February.

Trionix has asked the court to prevent ADAC from manufacturing, selling, and servicing gamma cameras based on the Technicare technology. The law suit also asks the court to bar ADAC from employing the four former Trionix workers. Trionix did not specify the sum of damages the company would seek.

When Johnson & Johnson dissolved Technicare in 1987, Trionix and Ohio Imaging, Inc. gained licenses to build gamma cameras based on Technicare technology. The agreements allow Technicare designs to be marketed under company names other than Trionix or Ohio Imaging, but prohibited other companies from using the technology to manufacture gamma cameras for an undisclosed number of months. ADAC's Genesis line of gamma cameras incorporate the detector technology.

David Huston, director of market development for Trionix, contends that ADAC violated the agreement held by Trionix by manufacturing cameras with Technicare technology "at some point in late 1988 or early 1989," which he says predates the license that ADAC now holds from the British Technology Group (BTG) for the Technicare designs.

ADAC officials insist that their company acted legally. Officials say the company bought its cameras from Ohio Imaging through 1989 and began manufacturing cameras only after obtaining a license from BTG. "Why do they [Trionix] think they even have a lawsuit?" asks ADAC lawyer Robert Miller.

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"If there is a dispute, why aren't they pursuing it with Johnson & Johnson?"

About the possibility of legal action against Johnson & Johnson or Ohio Imaging, Mr. Huston of Trionix says, "We are leaving all our options open." ■

Thwarting Attacks on Animal Research

Amid concerns about the "escalating violence" of animal rights activists, Congress appears ready to pass measures to impose stiff fines and tough prison terms for laboratory break-ins, thefts, and other attacks on biomedical investigators.

When the Senate approved "The Animal Research Facilities Protection Act" last October, the bill's sponsor Sen. Howell Heflin (D-Alabama) vowed that "animal rights-inspired violence must be stopped." The bill imposes penalties as high as \$25,000 and prison sentences up to 20 years for acts against research facilities, and enables scientists to sue for lost equipment, data, animals, and for the costs of repeating ruined experiments.

This month, the House Agriculture Committee is expected to approve a similar bill, "The Farm Animal and Research Facilities Protection Act," according to the staff of Rep. Charles W. Stenholm (D-Texas), who sponsored the bill with 250 other representatives. The House version is broader than the Senate legislation, covering ranches, zoos, the food processing industry, and research institutions threatened by protest actions "that seem to be escalating both in number each year and in their level of violence," Mr. Stenholm said in a speech to fellow legislators last year. ■

Industry Seeks Speedier Reviews for Radiopharmaceuticals

An industry group representing the major radiopharmaceutical makers in the U.S. is calling on the Food and Drug Administration (FDA) to make changes to hasten the new drug approval process.

In a position paper approved in December, the Committee on Radionuclides and Radiopharmaceuticals of the U.S. Council of Energy Awareness (USCEA) asks the FDA to assign radiopharmaceuticals to a unique class of drugs. The group recommends that the FDA evaluate radiopharmaceuticals under a separate review process with standards for effectiveness and safety different from those applied to traditional therapeutic drugs. The USCEA committee includes representatives from Amersham Corporation, Mallinckrodt Medical, DuPont-Merck Pharmaceuticals Company, and E.R. Squibb & Sons.

The Society of Nuclear Medicine (SNM) and the American College of Nuclear Physicians (ACNP) have also called upon the FDA to consider radiopharmaceuticals as a unique class of drugs (see Newsline, December 1991, p. 21N). ■

Privatization of Nordion

The Canadian government concluded in November the final sale of Nordion International Inc. MDS Health Group Limited of Etobicoke, Ontario paid a purchase price of \$165 million for the producer of radioisotopes, radiopharmaceuticals, and irradiation sources. The Canadian government announced the winning bid last June.

Nordion, based in Kanata, Ontario, remains the sole supplier of molybdenum-99 for the U.S. market, which provides a large demand for the isotope used to make in-hospital generators of technetium-99m compounds.

The Nordion sale is a step in Canada's privatization program, which according to Canadian Minister of State John McDermid, is intended to stimulate economic growth. Non-Canadian ownership in Nordion is limited to 25% by the Nordion and Theratronics Divestiture Authorization Act. "The company will continue to be owned and controlled by Canadians," said Mr. McDermid in a prepared statement released following finalization of the sale. The law enables

Amersham International PLC to acquire up to 14.9% of Nordion's shares. ■

Scientific Exhibit Prizes

The Scientific Exhibits Subcommittee of the Scientific Program Committee awarded the following prizes during The Society of Nuclear Medicine's 38th Annual Meeting last June.

FIRST PRIZE: A Stationary 3D SPECT Brain Imaging System. R.K. Rowe, H.H. Barrett, J. Chen, J.N. Hall, W.P. Klein, B.A. Moore, I.W. Pang, D.D. Patton, T.A. White. University of Arizona, Tucson.

SECOND PRIZE: Fusion of TC-99M NR-LU-10 MAB with Chest CT in Nonsmall Cell Lung Carcinoma (NSCLC). E. Kramer, M. Noz, H. Macapinlac, R. Heelan, V. Rusch, D. Reddy, P. Abrams, D. Salk, K. Sullivan, S. Larson. New York University School of Medicine, Memorial Sloan-Kettering Cancer Center, New York.

THIRD PRIZE: Performance and Design Features of a New PET System for Animal Studies. E.J. Hoffman, S.R. Cherry, P.D. Cutler, W.M. Digby, M.E. Phelps. University of California, Los Angeles, School of Medicine.

HONORABLE MENTION: SPECT Thallium Index and Brain Tumors. W.J. Slizofskik, L. Krishna, A. Chevres, S.J. Brown, S. Dadparvar. Hahnemann University, Philadelphia.

HONORABLE MENTION: Clinical Results of Breast Cancer Detection by Imageable Estradiol (I-123 E2). D.F. Preston, J.A. Spicer, R.A. Baranczuk, C. Fabian, K.G. Baxer, N.L. Martin, L. Krishnan, W.R. Jewell, R.G. Robinson. University of Kansas Medical Center, Kansas City.

HONORABLE MENTION: Applications of Computational Chemistry in Radiopharmaceutical Design. R.J. Boudreau, S.M.N. Efang, R.P. duCret, and C.C. Kuni. University of Minnesota, Minneapolis.

HONORABLE MENTION: Fusion of Functional SPECT Images with Structural CT/MRI Images. J. Chappnick, M. Noz, G. Maguire, J. Sanger, A. Megibow, E. Kramer, R. Oratz, B. Birnbaum, J. Martino. New York University Medical Center, New York.