



## **Is it Time for the RRVU in Medical Imaging Reimbursement?**

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MedPAC and CMS have both stated the important goals of maintaining access for Medicare beneficiaries, reducing cost, and improving quality as we move forward into the Pay for Performance future. The payment systems used to fund Medicare's services should facilitate these important goals, especially in the area of improving quality for medical imaging services.

The Sustainable Growth Rate (SGR) regulation's reduction calculation is tied to economic indicators not the quality of the service provided. In addition it has been waived many times by Congressional resolutions that are signed into law almost every year. In fact it would require a 5% reduction in the professional component every year for the next ten years for it to catch up with its calculated annual adjustment.

The Deficit Reduction Act (DRA) was primarily intended to control the growth in medical imaging expenses by cutting reimbursement across the board for MRI, CT and ultrasound imaging procedures. The DRA payment schedule does not take into account the potential differences in the age of the technology used to provide imaging services. The payment for an MRI of the brain is the same if it is provided with a 3T system or a .5T system.

The DRA actually punishes state of the art imaging centers because in most cases they have lease payments for their imaging systems. These payments are often their highest fixed operating cost. Centers with older equipment do not have this cost and therefore have more flexibility to absorb the DRA reimbursement reduction. Clearly the DRA does not encourage improvements in the potential to provide the best quality services with the highest levels of technology in imaging equipment.

The correction to this problem should be easy to understand and it should stimulate investments that will improve quality while lowering the cost of medical imaging to the Medicare system. This could be accomplished by introducing a new factor that I call the Radiology Relative Value Unit or the RRVU.





The reimbursement rate for medical imaging services could still be driven by the RBRVS system as it is today with an additional equipment specific adjustment to the CPT codes for MRI, CT and Ultrasound. This adjustment would take into account the age of the system used to perform the study or the imaging equipment's level of technology. The CPT reimbursement payment for global and technical component payments would be adjusted by the RRVU which would allow higher payments for tests performed on newer systems. In other words the RBRVS calculation would now be adjusted by the RRVU specific to the equipment used to provide the service.

The design of the system could have two or three levels based on technology or equipment age that would lower reimbursement levels for older equipment or older technology levels. If a payment system of this type were applied to radiology reimbursement it would compensate imaging centers for their specific potential to perform in a pay for performance environment.

This payment approach could be applied to both outpatient imaging centers and hospitals. Both of these payment systems should have a quality of service component. The overall Medicare costs for imaging services would decline unless a very large number of providers upgraded their equipment. If a rapid upgrade occurred based on a payment system that recognized the potential to provide quality services, we would all benefit by having a younger national fleet of imaging systems in hospitals and imaging centers. However, if a large number of system upgrades were stimulated by this change in reimbursement, overall costs could still decline. A younger fleet of imaging systems would help to minimize the repeating of imaging studies that occur today, based on the number of older systems currently in use.

Adopting an RRVU adjustment to the RBRVS system would be a valuable and worthwhile adjustment to a payment system that does not reward efforts by the industry to invest in new technologies to improve the quality of the services provided to our patients and referring physicians.

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