



4550 Montgomery Avenue
Suite 780 North
Bethesda, Maryland 20814
Telephone: 301-215-7575

Website: www.asnc.org
Email: admin@asnc.org
Fax: 301-215-7113

June 26, 2009

Senator Max Baucus
Chair, Senate Finance Committee
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Senator Charles Grassley
Ranking Member, Senate Finance Committee
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Chairman Baucus and Ranking Member Grassley:

The American Society of Nuclear Cardiology (ASNC) is writing to express our deep concerns about increasing the equipment utilization assumption for nuclear cardiology services.

As you are aware, CMS's current method for calculating the Medicare fee schedule reimbursement rate for advanced imaging services assumes that imaging machines are operated 25 hours per week, or 50 percent of the time that practices are open for business. In the March 2009 MedPAC report, Medicare Payment Policy, MedPAC cites evidence showing that providers are using advanced imaging equipment 90 percent of the time that providers are assumed to be open for business (45 hours per week) rather than the 50 percent currently assumed. In effect, MedPAC recommended that CMS adopt the higher utilization rate in the calculation of fee schedule payments for diagnostic imaging equipment that costs at least \$1 million and explore applying that standard to less expensive imaging equipment.

The recommendation by MedPAC to change the equipment utilization rate to 90 percent is based on a severely flawed survey that should not be deemed credible in drafting Medicare policy. The sample size of the survey consisted of six urban medical imaging centers, as opposed to a representative national sampling. Medical imaging is performed throughout the country, in both rural and urban areas, and imaging facilities vary widely in their size, clinical staff, and patient makeup. Data from six urban medical centers is certainly not representative of cardiology practices nationwide. Further, the MedPAC survey only consisted of data from CT and MR, and yet their recommendation covers other imaging modalities, such as nuclear cardiology. Again, ASNC does not believe that data from a few modalities provides a fair and accurate representation of imaging modalities not surveyed, specifically nuclear cardiology.

An independent survey performed in 2008 of approximately 1,500 cardiologists across the U.S. demonstrated that equipment utilization rates for nuclear cardiology are between 43 and 46 percent, proving that cardiology practices are currently using their nuclear equipment less than the current 50 percent rate set by Medicare.

In the 2008 proposed rule for the Medicare Physician Fee Schedule, CMS stated that "if the equipment usage percentage is set too high, the result would be insufficient allowance at the service level for the practice cost associated with equipment." They further stated that they "do not want to create disincentives for the use of equipment by arbitrarily increasing the equipment usage percentage." At that time, as well as in 2009, CMS chose not to increase the equipment usage percentage because they did not believe they had "empirical evidence to justify an alternative on this issue." In addition, CMS has continually stated that they are "committed to continuing our work with the physician community to



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examine equipment usage rate assumptions that ensure appropriate payments and encourage appropriate utilization of equipment.”

In light of these facts, ASNC strongly believes that the equipment utilization percentage should not be altered for nuclear cardiology until broader, more representative data is found to justify an increase in the current percentage. We believe that Medicare beneficiaries would not be well served by cuts to these services, and we committed to working with CMS and Congress to help collect fair and accurate data prior to making any changes.

As the Senate Finance Committee works to address physician payment issues, we hope that you will oppose any increase to the equipment utilization assumption for nuclear cardiology services. Thank you for your consideration of this important issue. Should you have any questions, please feel free to contact Emily Gardner, ASNC Director of Health Policy, at 301-215-7575 or via email at egardner@asnc.org. Thank you.

Sincerely,

A handwritten signature in black ink, reading "Jennifer Mieres". The signature is written in a cursive, flowing style.

Jennifer Mieres, M.D., FASNC, FACC
President, American Society of Nuclear Cardiology