



AMERICAN SOCIETY OF  
NUCLEAR CARDIOLOGY

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

Website: [www.asnc.org](http://www.asnc.org)  
Email: [admin@asnc.org](mailto:admin@asnc.org)  
Fax: 301-215-7113

May 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

Re: Senate Finance Committee's Health Reform Policy Options: *Financing Comprehensive Health Care Reform: Proposed Health System Savings and Revenue Options*

Dear Chairman Baucus and Ranking Member Grassley:

The American Society of Nuclear Cardiology (ASNC) is pleased to provide comments on the Senate Finance Committee's policy document *Financing Comprehensive Health Care Reform: Proposed Health System Savings and Revenue Options*, released on May 18, 2009.

ASNC is a greater than 5,000 member professional medical society, which provides a variety of continuing medical education programs related to nuclear cardiology and cardiovascular computed tomography, develops standards and guidelines for training and practice, promotes accreditation and certification within the nuclear cardiology field, and is a major advocate for furthering research and excellence in nuclear cardiology and cardiovascular computed tomography.

### **Adjusting Reimbursement for High-Growth, Over-Valued Physician Services**

As the policy document outlines, 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 imaging centers nationwide. Further, the MedPAC survey only consisted of data from CT and MR, and yet their recommendation covers other imaging modalities, such as nuclear medicine and PET. Again, ASNC



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does not believe that data from a few modalities provides a fair and accurate representation of imaging modalities not surveyed.

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 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 until broader, more representative data is found to justify an increase in the current percentage. We fear that arbitrarily increasing equipment use rates, and thus drastically reducing payment for these imaging services, could potentially result in access problems for Medicare beneficiaries, particularly in rural areas. ASNC remains committed to working with CMS, Congress and MedPAC to help collect fair and accurate data, and we remain committed to assuring quality and appropriate patient care.

Again, ASNC appreciates the opportunity to provide comments regarding this and other important issues. We are pleased that the Senate Finance Committee is gathering feedback from the medical community prior to creating hard policy, and we look forward to continuing our discussions with you as you continue to work towards health care reform. 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](mailto:egardner@asnc.org). Thank you.

Sincerely,

William Van Decker, MD, FASNC, FACC  
Chair, ASNC Government Relations Committee