

Potential Physician Payment for 2008

It looks like physicians will see a negative 10.1 percent update in Medicare fee-for-service payment rates unless Congress takes action.

The Centers for Medicare and Medicaid (CMS) has no choice but to implement this negative update because it is mandated by a statutory formula.

Under the new rule, released November 1, the agency estimates that it will

pay approximately \$58.9 billion to about 900,000 physicians and other health care professionals. The rule, which becomes effective January 1, 2008, also includes quality incentive rates and related policy changes.

Impact to Interventional Radiology under the 2008 physician fee schedule rule would be -12% and Radiology would be -10%. ■

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OIG Work Plan for 2008

Business Relationships and the Use of Magnetic Resonance Imaging Under the Medicare Physician Fee Schedule. OIG will review the arrangements under which magnetic resonance imaging (MRI) is provided under the Medicare Physician Fee Schedule. Section 1848 (a)(1) of the Social Security Act establishes the physician fee schedule as the basis for Medicare reimbursement for all physician services. They will describe relationships among physicians, billing providers, and others who work together to provide imaging services and determine whether these relationships affects levels of utilization. They will pay particular attention to financial relationships among the par-

ties involved in providing services and identify whether such relationships are associated with high use of services.

Geographic Areas with High Utilization of Ultrasound Services. OIG will review services and billing patterns in geographic areas with high utilization of ultrasound services paid under the Medicare Physician Fee Schedule. Their review will examine disproportionately high Medicare allowed charges and services per beneficiary and disproportionately high percentages of beneficiaries receiving ultrasound services relative to the rest of the country. Section 1848(a)(1) of

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the Social Security Act establishes the physician fee schedule as the basis for Medicare reimbursement for all physician services, and section 1862(a)(1)(A) provides that Medicare will pay for services only if they are medically necessary. In areas of high utilization of ultrasound services, they will examine service profiles, provider profiles, and beneficiary profiles.

Geographic Areas With a High Density of Independent Diagnostic Testing Facilities. OIG will review services and billing patterns in geographic areas with high concentrations of independent diag-

nostic testing facilities (IDTF). An IDTF is a facility that performs diagnostic procedures and that is independent of a physician's office or hospital. It may have a fixed location or be a mobile entity, and the practitioner performing the procedures may be a nonphysician. IDTFs must meet performance requirements at 42 CFR § 410.33 to obtain and maintain Medicare billing privileges. A 2006 OIG review found numerous problems with IDTFs, including noncompliance with Medicare standards and potential improper payments of \$71.5 million. In areas with a high density of IDTFs, they will examine service profiles, provider profiles, beneficiary profiles and billing patterns. ■