

MEDICARE COMPLIANCE

Medicare Spends Far More on Self-Referred Advanced Imaging

Medicare spending on MRI and CT services ordered by physicians who have a financial stake in them skyrocketed between 2004 and 2010, according to a new Government Accountability Office (GAO) report (12-966).

GAO examined the impact of physician self-referrals on advanced imaging services. “GAO’s analysis showed that providers’ referrals of MRI and CT services substantially increased the year after they began to self-refer—that is, they purchased or leased imaging equipment, or joined a group practice that already self-referred,” the report noted.

Although spending on advanced imaging grew generally, self-referred MRIs and CTs outpaced non-self-referred MRIs and CTs.

Medicare spending on self-referred MRI services increased about 55% from 2004 through 2010, from roughly \$239 million to about \$370 million. When MRI services were not self-referred, Medicare claims dropped about 8.5% in the same period, GAO found.

Greater Utilization May Be Warranted

CT services showed comparable growth when they were ordered by physicians with a financial interest.

Between 2004 and 2010, self-referred CT services more than doubled, from about 700,000 services to about 1.45 million services. “In contrast, the number of non-self-referred CT services increased about 30 percent during these years, from about 1.90 million services to about 2.48 million services,” GAO said. Things changed in 2009, when the number of non-self-referred CT services dropped during the subsequent year.

San Francisco attorney Judy Waltz cautioned that the GAO only looked at numbers. “This report kind of annoyed me because it seems to conclude that increased utilization unequivocally equates to unnecessary utilization,” says Waltz, with Foley & Lardner LLP. She says that GAO is not typically a medical review entity, so it apparently didn’t review patient charts to determine whether tests were medically necessary, although it did some analysis by patient population and specialty. “But at the end of the day, all the report shows is that utilization is higher than it used to be — not that the ultimate results are not better care for Medicare patients.” Waltz is concerned that Congress and CMS will use the report to impose another law curbing imaging or self-referrals.

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