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# Advanced Medical Imaging in Privately Insured Patients Recent Trends in Utilization and Payments

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*Boston University*

# Advanced Medical Imaging in Privately Insured Patients

## Recent Trends in Utilization and Payments

Michal Horný, James F. Burgess, Jedediah Horwitt, Alan B. Cohen

### Introduction

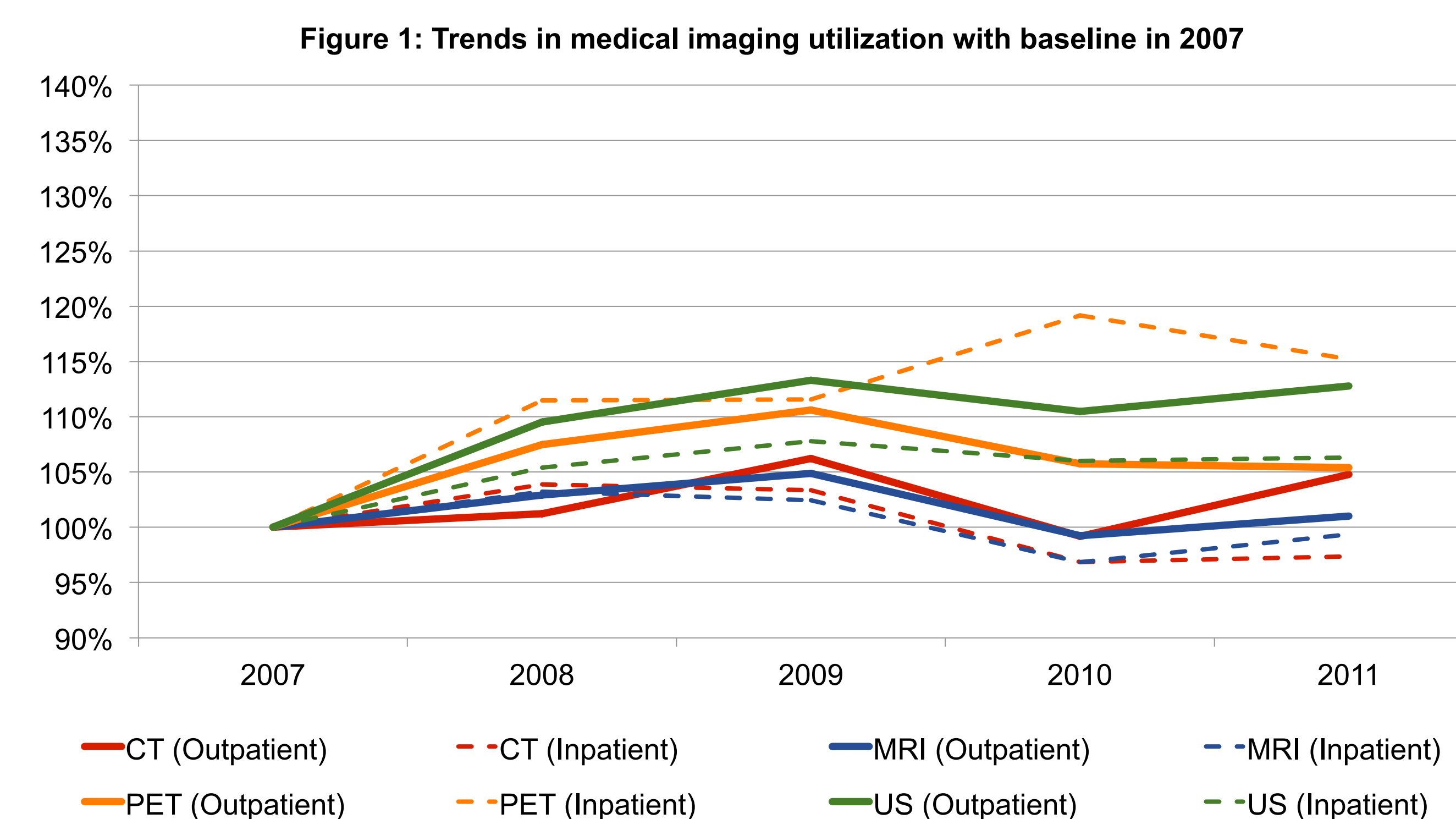
- Advanced medical imaging has been identified as the **key factor driving rapid cost growth** in health care over the past two decades, while expenditures for medical imaging account for 7.5 to 8.0 % of total health care spending.
- Recent studies report that the utilization growth rate in non-invasive diagnostic imaging is **slowing down** and that there is a substantial **reduction in payments** for imaging procedures in Medicare Part B fee-for-service population.
- No research** has focused on the corresponding trends in population with **private insurance** (approx. 55 % of the U.S. population).
- A change in payments for imaging procedures might have a noticeable influence on total U.S. health care spending.
- Understanding the situation of medical imaging is **necessary to target health policy** addressing the increasing costs.
- Furthermore, the combined CT scans of the abdomen and pelvis were previously reported and billed separately until the introduction of the **new CPT® codes for the combined procedures** in January 2011, which have been motivated by an effort to **eliminate double payments** for similar procedures conducted at the same time.
- Effects of the introduced policy have not yet been assessed.

### Data & Methods

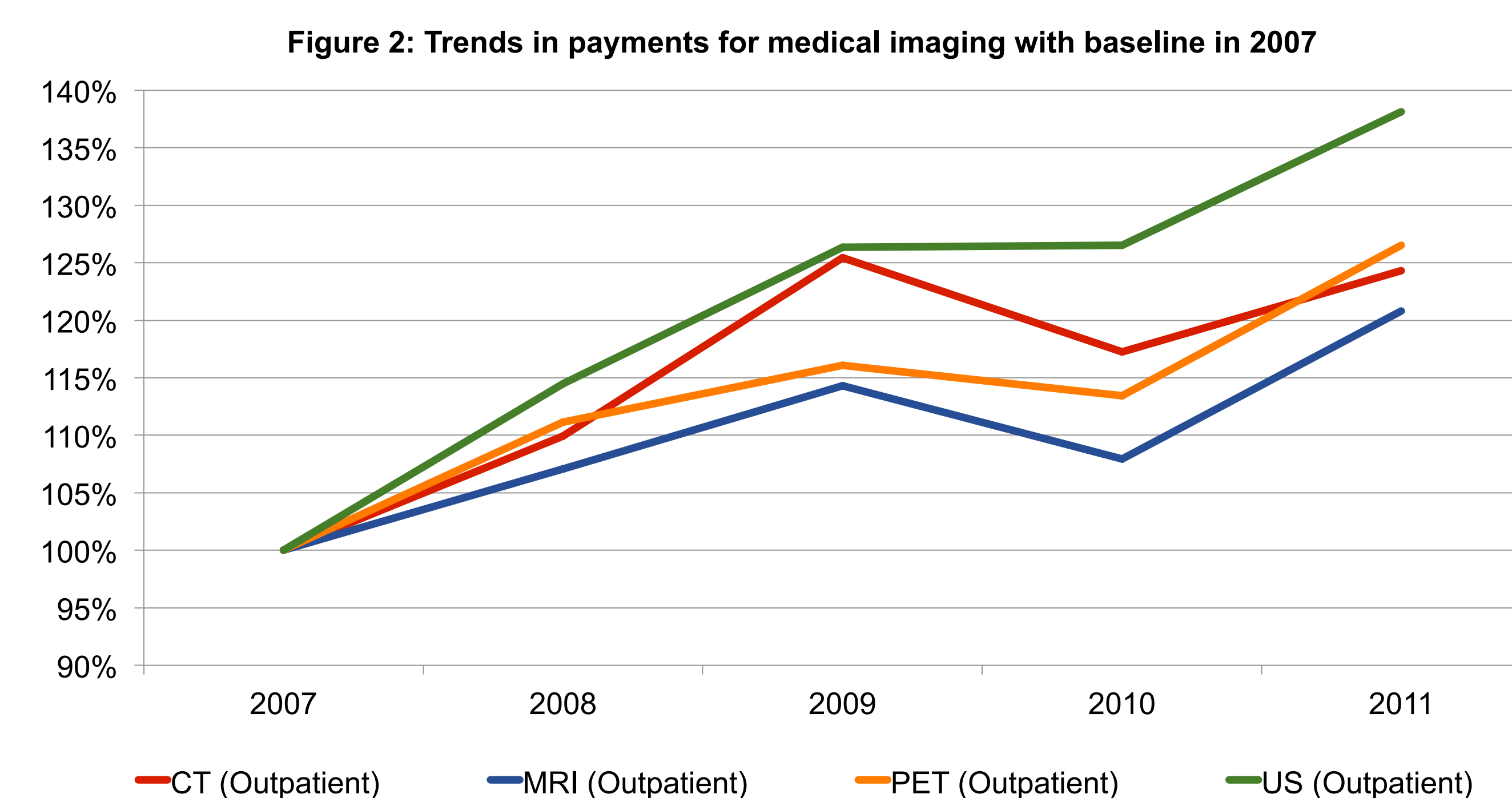
- We used relevant CPT® codes to identify inpatient and outpatient computed tomography (CT), magnetic resonance imaging (MRI), positron emission tomography (PET), and ultrasound procedures in the Truven Health Analytics MarketScan® Commercial Claims and Encounters databases of 2007 – 2011.

### Findings

- We observe utilization **growth slow-down** between the years of 2007 and 2009 in all four modalities, a **decrease** in 2010, and a subsequent **return to utilization growth** in 2011.



- The **increasing pattern** in payments is even more pronounced, since the **average payments per procedure increased** gradually between 2007 and 2009 (see Table 1).
- In 2010, we observed a **dropdown in payments** for CT, MRI and PET procedures, but they did not drop below the 2007 level for any of the modalities. The **increase in average payment** for an ultrasound procedure **offset the decrease** in ultrasound utilization.



### Findings

- In 2011, **average payments per procedure went up substantially** for all four modalities, and therefore **growth in payments** returned to the pace before 2010.
- Payments for medical imaging were growing at a similar pace as payments for health care in general.

Table 1: Average payment in \$ per single procedure

	2007	2008	2009	2010	2011
CT	471	510	556	555	741
Abdomen only	538	589	637	635	715
Pelvis only	465	497	542	540	600
Sum of separate procedures	1,003	1,086	1,179	1,175	1,316
Combined CT of abd. and pelvis	981	1,064	1,162	1,154	1,086
Difference	-22	-22	-17	-21	-230
MRI	805	838	878	876	965
PET	1,904	1,963	1,990	2,031	2,283
Ultrasound	159	166	177	182	195

- Physicians **charged only slightly less** when reporting a **single large payment** for the combined abdomen and pelvis CT scan than when they previously charged higher payments for **separate procedures**.

### Conclusions

- Our findings from a large sample of patients with private insurance revealed **different patterns** from those found within the Medicare population.
- Growth in payments for medical imaging in patients with private insurance is **faster** than the growth in their utilization.
- Successful policies adopted in Medicare (e.g. the Deficit Reduction Act of 2005) should be considered for general application.
- The **effort to cut payments for doubled outpatient CT scans was not successful**.