

Trends in Imaging Services Billed to Part B Medicare Carriers and Paid under the Medicare Physician Fee Schedule, 1998-2008

Executive Summary

Prepared for the Access to Medical Imaging Coalition (AMIC)

October 2009

THE MORAN COMPANY

Executive Summary Objectives

2

We analyzed volume and spending on physician imaging services* to:

- Evaluate utilization and spending trends over 1998-2008;
- Discuss trends for Advanced Diagnostic Imaging Services (MR, CT, Nuclear Medicine, PET, PET/CT); and
- Evaluate Mammography and DEXA utilization.

* Defined as services billed to Part B Medicare contractors and paid under the Medicare Physician Fee Schedule (MPFS)

THE MORAN COMPANY

Key Findings: Aggregate Trends

3

Volume and spending increased over 1998-2008, but with slowing growth or declines in more recent years:

- In 2008, there were 186 million imaging procedures performed at a cost to Medicare of approximately \$12.1 billion compared to 113 million procedures and \$5.5 billion in 1998.
 - 5.0% CAGR in volume
 - 8.2% CAGR in spending
- In 2005, the rate of total volume growth began to slow after peaking in 2000-2005.
- In 2008, the rate of total volume growth is only 1.5%.

CAGR: Compound Average Annual Growth Rate

THE MORAN COMPANY


Key Findings: Aggregate Trends

4

Total Volume and Spending for Imaging Procedures 1998-2008


Year to Year Percent Change in Total Imaging Volume and Spending

	98 v. 99	99 v. 00	00 v. 01	01 v. 02	02 v. 03	03 v. 04	04 v. 05	05 v. 06	06 v. 07	07 v. 08	CAGR
Volume	3.0%	5.2%	9.7%	10.1%	6.7%	7.6%	5.2%	1.3%	0.8%	1.5%	5.0%
Spending	6.4%	13.8%	20.4%	8.5%	15.6%	16.3%	11.2%	4.2%	-13.3%	2.8%	8.2%



Total Imaging Volume and Spending, PSPS data files 1998-2008 (in millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Volume	113	117	123	135	148	158	170	179	181	183	186
Spending	\$5,495	\$5,848	\$6,653	\$8,010	\$8,695	\$10,055	\$11,696	\$13,007	\$13,555	\$11,752	\$12,096

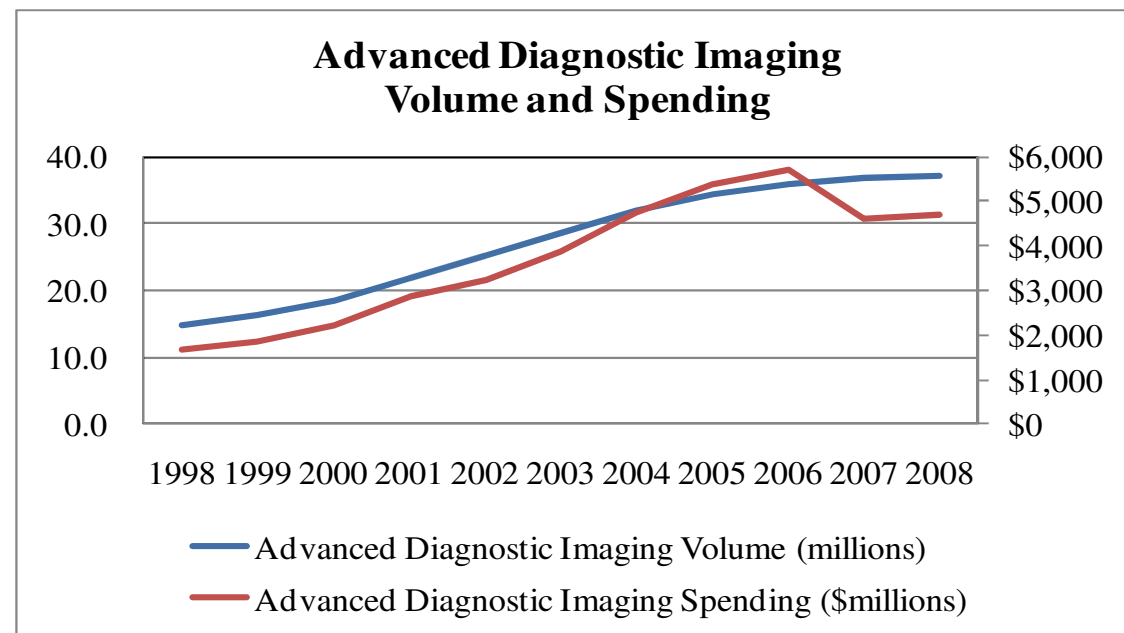


CAGR: Compound Average Annual Growth Rate

THE MORAN COMPANY

Key Findings: Advanced Diagnostic Imaging Services⁵

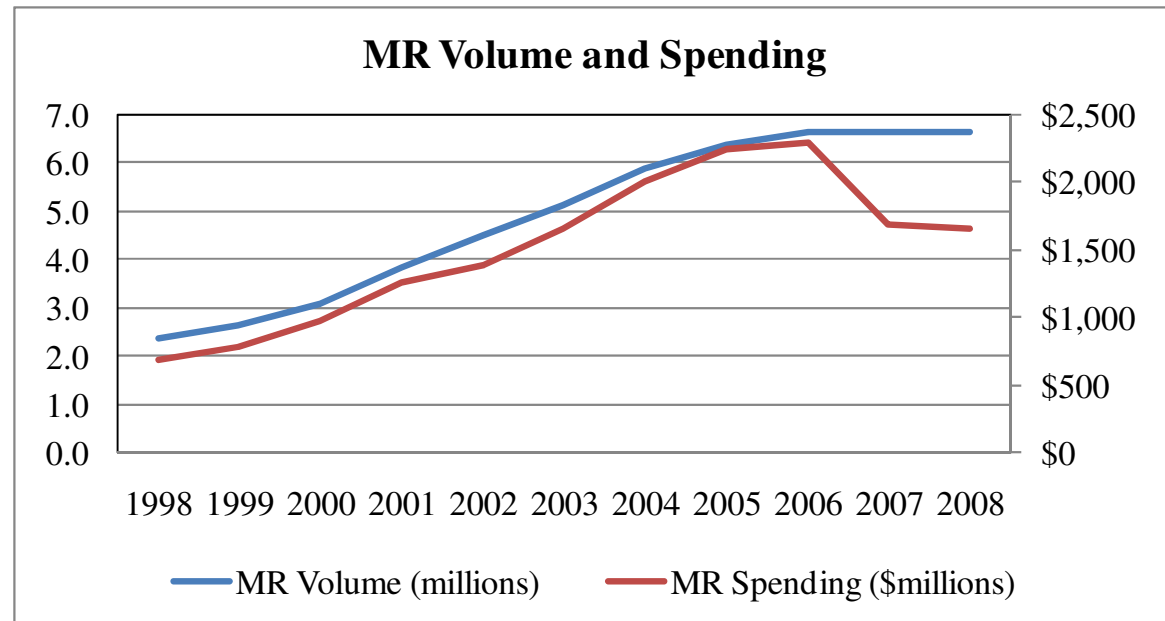
- Spending for advanced diagnostic imaging services reached a 10 year high in 2006.
- By 2007, spending was down from previous years.
- In 2008, spending and volume increased only very slightly (2.3% spending; 1.1% volume).



Key Findings: Magnetic Resonance Imaging (MR) Volume and Spending

6

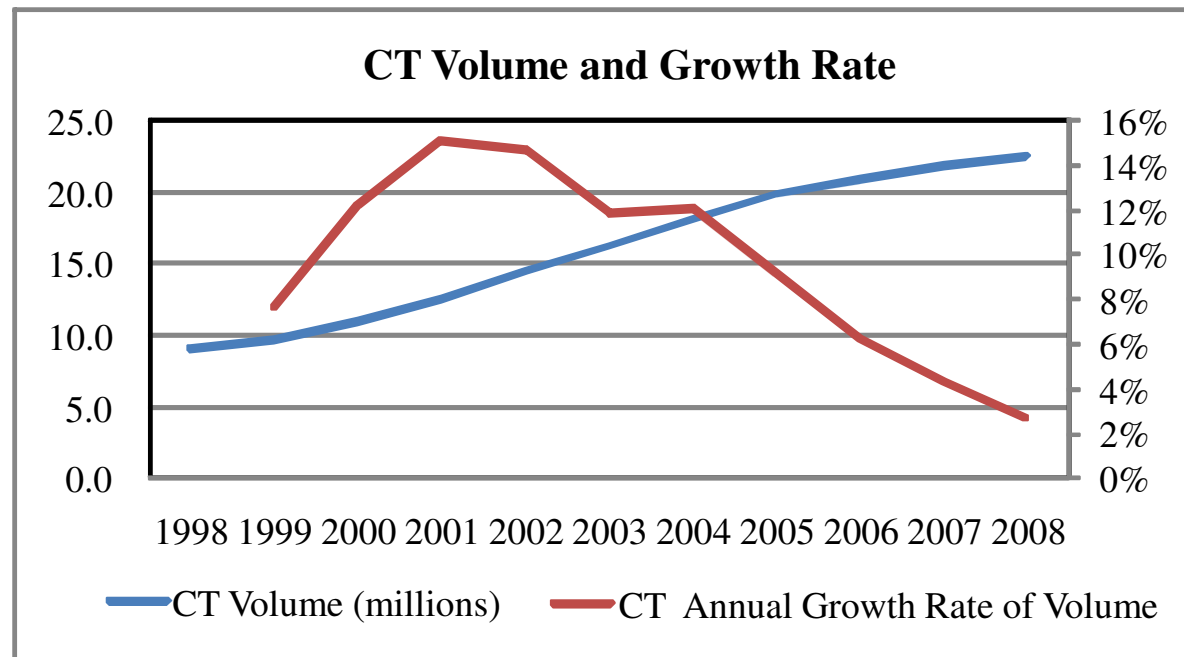
- MR volume decreased slightly from 2007 to 2008 by 0.3%.
- Spending from 2007 to 2008 declined by 1.7%.
- The 2007 to 2008 volume decrease was slightly more (0.3%) than in the post-DRA 2006 to 2007 timeframe (0.1%).



THE MORAN COMPANY

Key Findings: Computed Tomography (CT) Volume ⁷

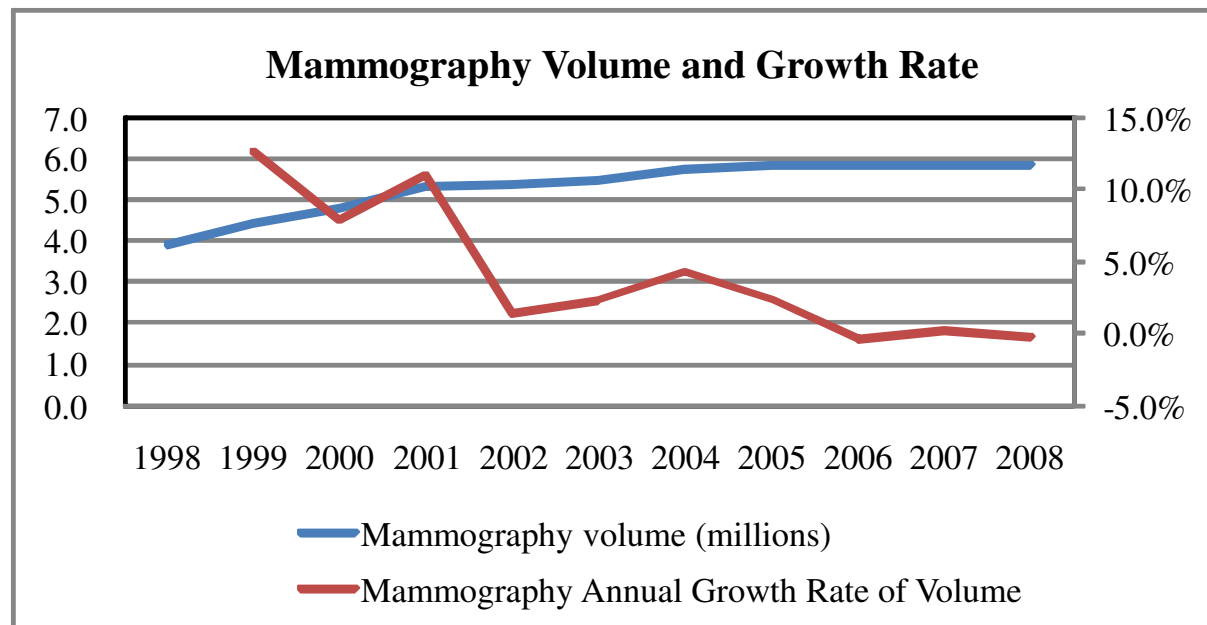
- Starting in 2005, the rate of growth in CT slowed compared to 2000-2005.
- The 2007-2008 rate of growth for CT procedures was nearly half that of the previous year (4.2% down to 2.6%)



Key Findings: Screening Mammography Volume

8

- The rate of growth in volume has declined or remained steady since 2004.
- From 2007 to 2008, total volume decreased by 0.2% compared to a 4% CAGR for the 10 year period.



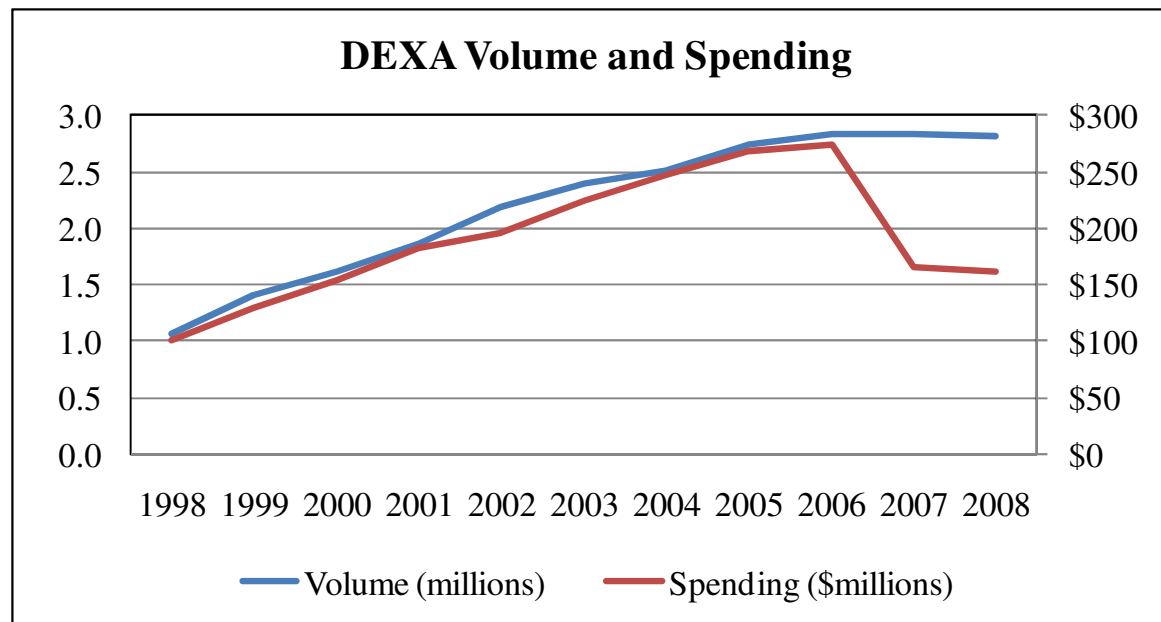
Screening Mammography includes both plain film and digital mammography
Screening Mammography not subject to DRA provisions

THE MORAN COMPANY

Key Findings: DEXA Volume and Spending

9

- DEXA volume reached its peak in 2005 and has been slowly declining since.
- From 2007-2008 total volume decreased by 0.4%.
- From 2007-2008 total spending decreased by 2.7%.



THE MORAN COMPANY