

## The Budgetary Effects of the Modification to Appropriate Use Criteria (AUC) Advanced Diagnostic Imaging Program

The Moran Company, an HMA Company, was engaged by the American College of Radiology (ACR) to “score” the effects of legislative modifications to the appropriate use criteria (AUC) advanced diagnostic imaging program in section 1834(q) of the Social Security Act, as added by section 218(b) of the Protecting Access to Medicare Act of 2014 (PAMA) (P.L. 113-93). Since PAMA’s passage, CMS has faced challenges implementing the AUC program, and the agency recently decided to indefinitely pause implementation, citing the real-time claims-based reporting requirement in section 1834(q)(4) as “an insurmountable barrier” to full implementation.<sup>i</sup>

The proposed legislative modifications would eliminate this reporting requirement and allow CMS to fully operationalize the program. This means that under proposed law, additional imaging services would be subject to AUC consultation via clinical decision support mechanism (CDSM), some of which will be flagged as inappropriate and either entirely averted or redirected to a more appropriate service.

On net, we estimate that the legislative modifications would decrease direct spending by about \$2.0 billion over the FY 2024-FY 2033 budget window. While additional detail is available in an extended report, the below outlines our findings at a high level.

### Key details:

- In addition to the decrease in federal direct spending referenced above, we estimate that Medicare beneficiaries would also save about \$1.4 billion over the current budget window via reduced cost-sharing.
- To model the impacts of the fully operationalized program, we used annualized 2023 data from CareSelect Imaging software, a CMS-qualified CDSM product of Change Healthcare that provides AUC consultation.
- The data suggests that in 2023, over \$178 million in inappropriate allowed charges would have been furnished and billed to Medicare had the charges not first undergone CareSelect’s AUC consultation.
- After applying a multiplier to capture allowed charges that would be flagged as inappropriate via alternative CDSM products participating in the full program, we discounted the number to account for inappropriate imaging sessions that are not averted but redirected to a different imaging service and ultimately furnished to the Medicare beneficiary.

Estimated Budgetary Effects of Legislation Modifications to AUC Advanced Diagnostic Imaging Program														
	By Fiscal Year, Millions of Dollars											2024-2028	2024-2033	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033				
<b>Increases or Decreases (-) in Direct Spending</b>														
<b>Total Changes in Direct Spending</b>														
Budget Authority	(204)	(205)	(199)	(198)	(207)	(185)	(195)	(196)	(197)	(211)	(1,013)	(1,996)		
Estimated Outlays	(204)	(205)	(199)	(198)	(207)	(185)	(195)	(196)	(197)	(211)	(1,013)	(1,996)		

Estimates are relative to the Congressional Budget Office's May 2023 baseline.

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<sup>i</sup> See pages 79259 of the [Medicare Physician Fee Schedule CY 2024 Final Rule](#) (88 FR 78818)