



Frequently Asked Questions on the PC MPPR and Digital Radiography policy within H.R. 2029, the Consolidated Appropriations Act of 2016

Background:

On December 18, 2015, Congress enacted H.R. 2029, the Consolidated Appropriations Act of 2016, bipartisan legislation which provided funding for the federal government for the 2016 Fiscal Year (October 1, 2015-September 30, 2016). Within this extensive legislation were radiology provisions related to the professional component multiple procedure payment reduction (PC MPPR) and reimbursement for analog (film) radiography, computed radiography (CR), and digital radiography (DR). Below, is a collection of frequently asked questions (FAQ) designed to further explain the key components of these two policies.

- 1) What did Congress mandate with respect to the PC MPPR?** After intense lobbying by the American College of Radiology (ACR) for more than four years, Congress included provisions within H.R. 2029 to lower the existing 25% PC MPPR to 5% effective 2017. The 5% MPPR now accurately reflects empirical data describing the actual level of professional component efficiencies when radiologists interpret multiple images from the same patient, during a single session, on the same day. The Congressional Budget Office (CBO) expects that the passage of this policy will return hundreds of millions of dollars to the specialty of radiology, as a whole, over the next ten years.
- 2) What did Congress mandate with respect to digital radiography?** In an attempt to incentivize facilities that provide x-ray services to purchase digital radiography equipment, H.R. 2029 outlined a gradual series of reimbursement reductions to both analog/film radiography and computed radiography.
- 3) What fee schedules are affected by the reimbursement changes to analog and computed radiography?** The policy changes only apply to analog radiography and computed radiography reimbursed through the Medicare Physician Fee Schedule (MPFS) and Hospital Outpatient Prospective Payment System (HOPPS). **In general, Critical Access Hospitals are not affected by this policy because they are not reimbursed by either the MPFS or HOPPS.**
- 4) What is the schedule for the reimbursement changes?** Reimbursement for x-rays taken with plain film would be reduced by 20 percent in 2017 and all subsequent years **on a per scan basis**. Reimbursement for computed radiography would be reduced by 7 percent between 2018 and 2022, followed by a 10 percent reduction in 2023 and all subsequent years **on a per scan basis**. The ACR worked with Congressional leaders to minimize the computed radiography reimbursement reductions and extend the phase-in period.
- 5) Does H.R. 2029 mandate that my practice purchase new digital radiography machines?** No. The policy permits physicians to continue to use x-ray equipment used for film radiography and computed radiography. Physicians who elect to continue to use these modalities are subject to per-

scan reimbursement reductions within the Medicare program according to the schedule described in question 4.

- 6) **Is there any information pertaining to Medicare claims, the Physician Fee Schedule, and the digital radiography policy?** In the Calendar Year (CY) 2017 MPFS Rule, the Centers for Medicare and Medicaid Services (CMS) established a new modifier (modifier “FX”) to be used on film X-ray claims. Beginning January 1, 2017, this modifier is required on claims for X-rays that are taken using film in the physician office setting. The modifier would be required on claims for the technical component of the X-ray service, including when the service is billed globally, since the PFS payment adjustment is made to the technical component regardless of whether it is billed globally or separately using the TC modifier. The modifier must be used to report the specific services that are subject to the payment reduction and its accurate use is subject to audit.

In the CY 2018 MPFS Proposed Rule, CMS is *proposing* the development of a new modifier to be used on claims for X-rays taken using computed radiography technology in the physician office setting. **The actual modifier will not be specified until the CY MPFS Final Rule is published in November 2017.** Computed radiography technology is defined as cassette-based imaging that uses an imaging plate to create the image involved. Beginning on January 1, 2018, this yet-to-be-determined modifier would be required on claims for the technical component of the computed radiography X-ray service, including when the service is billed globally because the PFS payment adjustment is made to the technical component regardless of whether it is billed globally or billed separately using the TC modifier. The modifier must be used to report the specific services that are subject to the payment reduction and its accurate use is subject to audit.

- 7) **Is there any information pertaining to Medicare claims, the Hospital Outpatient Prospective Payment System (HOPPS), and the digital radiography policy?** In the CY 2017 HOPPS Rule, CMS established modifier “FX” for X-rays taken using film in the outpatient setting. The modifier must be used to report the specific services that are subject to the payment reduction and its accurate use is subject to audit.

In the CY 2018 HOPPS Proposed rule, CMS seeks to establish a new “XX” modifier to be reported on claims including codes that describe X-rays taken using computed radiography in the outpatient setting. CMS further notes that the “XX” modifier is a placeholder and that the final 2-digit modifier and descriptor will be included in the CY 2018 OPPS Final Rule. **The CY 2018 OPPS Final Rule will not be released until November 2017.** The modifier must be used to report the specific services that are subject to the payment reduction and its accurate use is subject to audit. Finally, CMS notes that when payment for film X-ray or computed radiography services are packaged into those for another item or service under the OPPS, there is no payment attributable to X-ray or computed radiography. As a result, there would be no corresponding payment reduction to either service, so long as it’s packaged.

- 8) **What section of the bill contains the PC MPPR and digital radiography provisions?** The actual legislation language can be found in [Division O- Other Matters, Title V-Medicare and Medicaid Provisions, Section 502](#). The text is located on pages 777-779.
- 9) **How did the PC MPPR and Digital Radiography provisions become combined?** The ACR and select medical device manufacturers were pursuing separate advocacy and lobbying campaigns pertaining to the PC MPPR and digital radiography, respectively. Congress initially combined both policies in

H.R. 6, the 21st Century Cures Act, bipartisan legislation designed to streamline the federal government's approval process for medical devices and pharmaceuticals. Although it passed the House of Representatives in July 2015 as a standalone bill, H.R. 6 was eventually wrapped into a larger bill that passed the House and Senate in late December 2016 and ultimately was signed into law. Recognizing the strong level of support for fixing the PC MPPR and incentivizing the purchase of digital radiography equipment, Congress ultimately included the MPPR/CR-DR combined policies in H.R. 2029, the Consolidated Appropriations Act of 2016.

For additional information on the PC MPPR and digital radiography provisions, as well as H.R. 2029, in general, please do not hesitate to contact Josh Cooper (jcooper@acr.org), Senior Director, Government Relations, Rebecca Spangler (rspangler@acr.org), Director of Congressional Affairs, or Chris Sherin (csherin@acr.org), Director of Congressional Affairs.