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

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Recent Trends in Utilization and Payments

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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.

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.

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

- 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.

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.

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