Computed Radiography (CR) Reimbursement Cuts

The 2016 Consolidated Appropriations Act mandates a cut for Medicare and Medicaid reimbursements to the Technical Component (TC) portion of reimbursements for X-Ray services utilizing computed radiography (CR) and analogue (film) as opposed to using digital radiography (DR). Cuts to CR will begin in 2018 at 7% and escalate in 2023 to 10%. The TC comprises about 75% of a practice's reimbursement under Medicare and Medicaid for services rendered.

According to a 2016 survey of AAOS members, of the practices that use CR to diagnose musculoskeletal abnormalities, 85% indicated that CR was their preferred method because it is easy to use, easily portable, and has the ability to capture long-form images, such as a spine.

Both CR and DR are digital methods of X-Ray. Both methods allow for storage in a picture archiving and communication system (PACS) and transfer between physicians utilizing an electronic health record (EHR).

If Congress intends to incentivize physicians to switch to the newer technology, it should legislate financial incentives to encourage the transition, not punitive measures for failing to upgrade to a newer but arguably not clinically advantageous radiological process.

Why This Cut Matters:

Failure to end or delay these cuts could lead directly to staff reductions, delays or freezes on facility upgrades, and even a reduction in the acceptance of Medicare/Medicaid patients.

According to the AAOS survey, 78% of practices use CR to diagnose musculoskeletal abnormalities. Cost to transition equipment from CR to DR can vary but range from $80,000 to $100,000 per machine. This is an extraordinary burden to put on such a large portion of service providers.

Providers that choose not to upgrade will forfeit an average of $19,287 a year beginning in 2018. Assuming that these cuts continue through 2023, the total cost would be $96,435. In 2023, these practices will then lose an average of $27,568 per year for the life of this policy.

AAOS Recommends:

The AAOS recommends repealing or delaying the harmful and unnecessary cuts to reimbursement for computed radiography.

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