

OIG Report on MRI Provider Relationships Under the MPFS

The Office of Inspector General (OIG) recently issued a report¹ examining the use of *magnetic resonance imaging* (MRI) services under the *Medicare Physician Fee Schedule*. Specifically, the OIG sought to determine if there was a relationship between utilization levels of services and how the services are provided.²

Currently, Medicare has two types of payments for imaging: the *technical component* involves reimbursement for taking the image, and the *professional component* which pays the physician who reads and interprets the image. Often times there are separate providers for each part, but Medicare can issue one *global payment* to one of the providers with the expectation that the provider will redirect the funds as appropriate. Additionally, Medicare allows one provider to purchase one or both components of MRI services from other providers and bill Medicare, even though that provider did not actually perform either service.³

In addition to the two possible payment parties for MRI services, several other people may be involved in actually providing the MRI service, including physicians, technicians, radiologists, and nurses. When several people are involved in performance of one MRI scan, they may be connected to one another through a medical practice or other professional relationship. A *medical practice relationship* is defined as one or more parties “*sharing a membership in a medical practice or when one party is a member of the other,*” whereas a *business relationship* is defined as one or more parties sharing a common business interest (e.g., shared investments). While all MRI services must abide with federal Fraud and Abuse laws by avoiding physician self-referrals and kickbacks; however, because Medicare billing does not identify all involved parties, the OIG was concerned that billing claims may not show evidence of medical practice and business relationships.⁴

The OIG report examined the *technical component* of billing claims to determine if a relationship existed between utilization and how services were provided for MRI services. Data was for obtained for over 2.6 million Medicare claims from Medicare’s National Claims History (NCH) database and did not evaluate medical necessity or appropriateness of provider relationships. Data was split into three categories: doctors whose charges placed them in the 95th percentile

of all doctors who ordered MRIs; doctors whose orders for advanced services placed them in the 95th percentile of all doctors who ordered MRIs; and, doctors who did not fit into the first two categories.⁵ This data was supplemented with surveys from billers as well as business registration data for each physician. From this information, the study identified relationships between the parties involved in treatment for MRI services.⁶

Upon completion of the study, data were analyzed in two groups: services ordered by high users of MRIs and services ordered by connected physicians.⁷ Results of the study indicated that, for MRI use under the Medicare Physician fee schedule, most providers were consistent in ordering of tests, providing of tests, and billing for the tests.⁸ The study also found that, 85% of the time, the performer of the service and the payee for the service were the same.⁹

Additionally, the study concluded that approximately two-thirds of the services were ordered by physicians who fell into one of four specialties: internal medicine, orthopedic surgery, family practice, and neurology. When the researchers examined this data among the group of high-user physicians, they found that the majority of their services were also ordered by the same four specialties. However, of these four specialties, neurologists and orthopedic surgeons accounted for 51% of MRI services, while they only accounted for 20% of other services.⁸

The OIG did find that one quarter of the MRI services were “*connected services*” that were associated with high use. The study defined connected services as a service in which the party that ordered the service was connected in some way to the party who provided the technical component of the service. The OIG further examined the concept of connected services and found that orthopedic surgeons were more likely to order connected services because they accounted for 28% of connected services, compared to 15% for all other services. Furthermore, the physicians in the high-user group accounted for 55% of connected services, compared to the ordering of 33% of non-connected services. Additionally, results indicated that multi-specialty groups performed half of all connected services. Finally, “*Connected services were more likely than other services to have been billed only as the*

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technical component; to have had payment reassigned; and to have been billed through a provider other than a radiologist.”¹⁰

Overall, results indicated a high number of connected services when billing for MRI services. While the reported findings of the study did not indicate an intent to seek to identify inappropriate relationships among physicians, it does highlight the need for all physicians who bill Medicare to be aware of potential conflicts of interest. Additionally, the report demonstrated the limited transparency of MRI use and reimbursement. CMS has supported the OIG’s finding of the need for more transparency of this data, and has outlined several steps to reduce potential overutilization of MRI services and indicated a need for further examination of relationships among parties who bill for and parties who perform MRI services.¹¹

¹ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

² “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

³ “Provider Relationships and the use of Magnetic Resonance Under the

Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, pp. 1- 2, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁴ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, pp. 2 -3, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁵ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. 4, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁶ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. 5, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁷ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. 7 <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁸ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. i, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

⁹ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. 9, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

¹⁰ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, pp. 11 - 12, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).

¹¹ “Provider Relationships and the use of Magnetic Resonance Under the Medicare Physician Fee Schedule,” by the Office of the Inspector General, September 2008, p. 14, <http://www.oig.hhs.gov/oei/reports/oei-01-06-00261.pdf> (Accessed 10/07/08).



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Robert James Cimasi, MHA, ASA, FRICS, MCBA, AVA, CM&AA, serves as President of **HEALTH CAPITAL CONSULTANTS (HCC)**, a nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, MO, serving clients in 49 states since 1993. Mr. Cimasi has over thirty years of experience in serving clients, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting and capital formation services; healthcare industry transactions including joint ventures, mergers, acquisitions, and divestitures; litigation support & expert testimony; and, certificate-of-need and other regulatory and policy planning consulting.

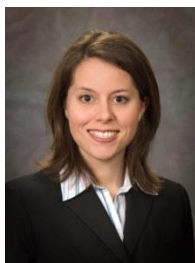
Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Intuition of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: *“The U.S. Healthcare Certificate of Need Sourcebook”* [2005 - Beard Books], *“An Exciting Insight into the Healthcare Industry and Medical Practice Valuation”* [2002 – AICPA], and *“A Guide to Consulting Services for Emerging Healthcare Organizations”* [1999 John Wiley and Sons].

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious *“Shannon Pratt Award in Business Valuation”* conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.



Todd A. Zigrang, MBA, MHA, ASA, FACHE, is the Senior Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas valuation and financial analysis for hospitals and other healthcare enterprises. Mr. Zigrang has significant physician integration and financial analysis experience, and has participated in the development of a physician-owned multi-specialty MSO and networks involving a wide range of specialties; physician-owned hospitals, as well as several limited liability companies for the purpose of acquiring acute care and specialty hospitals, ASCs and other ancillary facilities; participated in the evaluation and negotiation of managed care contracts, performed and assisted in the valuation of various healthcare entities and related litigation support engagements; created pro-forma financials; written business plans; conducted a range of industry research; completed due diligence practice analysis; overseen the selection process for vendors, contractors, and architects; and, worked on the arrangement of financing.

Mr. Zigrang holds a Master of Science in Health Administration and a Masters in Business Administration from the University of Missouri at Columbia, and is a Fellow of the American College of Healthcare Executives. He has co-authored *“Research and Financial Benchmarking in the Healthcare Industry”* (STP Financial Management) and *“Healthcare Industry Research and its Application in Financial Consulting”* (Aspen Publishers). He has additionally taught before the Institute of Business Appraisers and CPA Leadership Institute, and has presented healthcare industry valuation related research papers before the Healthcare Financial Management Association; the National CPA Health Care Adviser's Association; Association for Corporate Growth; Infocast Executive Education Series; the St. Louis Business Valuation Roundtable; and, Physician Hospitals of America.



Anne P. Sharamitaro, Esq., is the Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where she focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro is a member of the Missouri Bar and holds a J.D. and Health Law Certificate from Saint Louis University School of Law, where she served as an editor for the Journal of Health Law, published by the American Health Lawyers Association. She has presented healthcare industry related research papers before Physician Hospitals of America and the National Association of Certified Valuation Analysts and co-authored chapters in *“Healthcare Organizations: Financial Management Strategies,”* published in 2008.