The American College of Radiology (ACR), representing approximately 41,000 radiologists, radiation oncologists, medical physicists, and imaging professionals, appreciates the opportunity to submit a statement for the record in response to the Senate Committee on the Budget hearing titled "Reducing Paperwork, Cutting Costs: Alleviating Administrative Burdens in Health Care" held May 8th, 2024.

In the Protecting Access to Medicare Act of 2014 (PAMA), Congress recognized the need for utilization management for imaging services. Section 218(b) requires all ordering providers to consult appropriate use criteria (AUC) via a clinical decision support mechanism during the ordering of advanced diagnostic imaging services for Medicare beneficiaries. The AUC must be developed or endorsed by a national professional medical specialty society or other provider-led entity. This ensures that physician-led, physician-developed clinically oriented guidelines are used to guide referring clinicians in their decision-making regarding which imaging exam or procedure, if any, is most appropriate for the patient's condition, illness or injury.

This real time educational tool is critical, particularly in areas where non-physician providers order advanced imaging, to both educate the provider and ensure patients receive the right test at the right time. The program can also help eliminate "low value" imaging which can inconvenience the patient, cost both the patient and the Medicare system money and often be of little to no clinical relevance. A recent study published in Emergency Radiology, the Journal of the American Society of Emergency Radiology, found that the rate of over ordering resulting in inappropriate imaging studies in the emergency department can be as high as nearly 60 percent. Appropriately ordered imaging was three times more likely to yield findings compatible with the initial diagnosis. [1]

Although Congress required the PAMA program be implemented by 2017, the Centers for Medicare and Medicaid Services (CMS) faced significant logistical difficulty in following the original statutory language and could not build out the program, year after year. In the 2024 Medicare Physician Fee Schedule (MFPS) final rule, CMS indefinitely paused implementation pending statutory changes. Despite its ruling, CMS reiterated its support for the program and estimated that if implemented, the PAMA AUC program could save the Medicare system approximately $700 million dollars annually.

In order to move forward with AUC implementation, the ACR has proposed significant administrative simplification amending language to the Senate Finance Committee. We urge the swift adoption of the revised, updated legislative text to provide CMS with the

[1] Martina Zaguini Francisco et al, Appropriateness and imaging outcomes of ultrasound, CT, and MR in the emergency department: a retrospective analysis from an urban academic center; Emerg Radiology (2024). https://doi.org/10.1007/s10140-024-02226-0

statutory changes needed to implement the AUC program. These changes will first and foremost improve patient care by decreasing unnecessary utilization and associated copayment costs while providing a utilization management tool far superior and less burdensome than any prior authorization process. But more importantly, the implementation of the program will ensure the patients receive the most appropriate imaging study at the right time.

The ACR has long supported congressional and regulatory efforts to reduce physician administrative burden across all payment systems. Prior authorization, which is frequently required by health plans prior to a patient receiving services such as advanced imaging recommended by their physician, is a major contributor to this burden.

A recent national survey[2] of hospitals, health systems and post-acute care providers by Premier found nearly 53% of Medicare Advantage (MA) claim denials were eventually overturned and paid. But administrative costs to fight the denials averaged nearly $48 per MA claim, survey participants reported.

By inserting this roadblock to patient care, payors shift costs to physicians, who must spend time on related paperwork required by payors that could otherwise be spent with patients while simultaneously delaying or denying potentially lifesaving care to patients who need it.

Additionally, far too often prior authorization decisions are made by non-physician health plan employees based on a "black box" set of criteria on a delayed timeline that prioritizes health plan profits over patients. The imaging AUC program is a minimally burdensome alternative to prior authorization.

We are encouraged that Congress recognizes the need to alleviate administrative burden**s** in health care and look forward to future discussions. If you have any questions, please contact Cynthia Moran, Executive Vice President, Government Relations, Economics and Health Policy, at cmoran@acr.org.

[2] https://premierinc.com/newsroom/blog/trend-alert-private-payers-retain-profits-by-refusing-or-delaying-legitimate-medical-claims