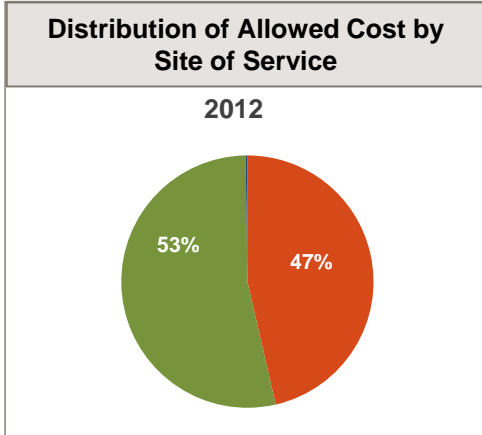


Medicare IMRT Trends

Milliman Inc. (Milliman) was retained by the American Medical Association (AMA) to perform a trend analysis of certain Medicare ancillary services. The results of the analysis for IMRT services are included below:

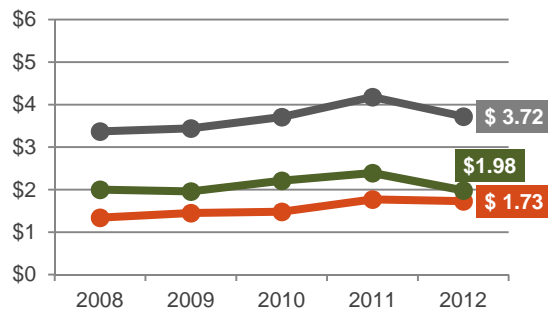


5 Year Annualized Trends 2008-2012

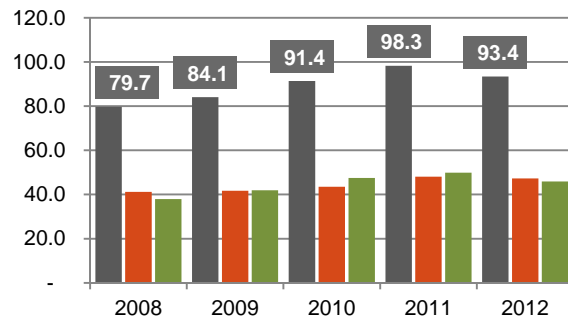
Site of Service	AMBP	Utilization per 1,000	Allowed Charges per Unit	Percentage Receiving	Total Allowed Charges
Intensity Modulated Radiation Therapy (IMRT) Composite	2.5%	4.0%	(1.5%)	3.5%	3.3%
Intensity Modulated Radiation Therapy (IMRT) Outpatient Hospital	6.6%	3.5%	3.0%	3.4%	7.3%
Intensity Modulated Radiation Therapy (IMRT) Office	(0.3%)	4.9%	(4.9%)	3.6%	0.6%

Trends in Key Measures 2008-2012

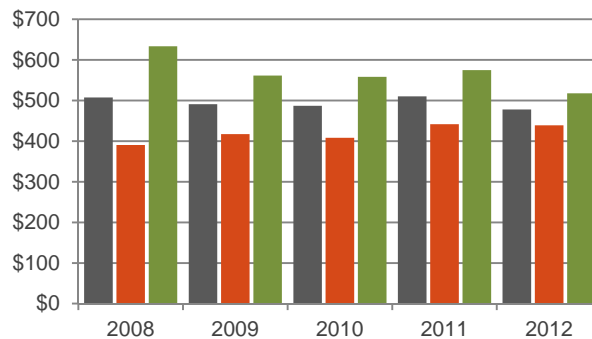
Average Monthly Allowed Charge per Beneficiary (2008-2012)



Utilization per 1,000 (2008-2012)



Allowed Charges per Unit (2008-2012)



Legend: ■ Outpatient Hospital ■ Office ■ Composite

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Medicare IMRT Trends

Metrics

Medical trend is driven by the cost of the service (fee), the number of people receiving the service, and the frequency of the service. The Medicare 5% Sample was analyzed to prepare data metrics that depict each trend component:

- **Estimated total allowed cost.** Allowed cost is the portion of the total charge that Medicare covers or “allows” the provider to collect from all sources prior to the application of member cost sharing;
- **Annualized utilization per 1,000 members.** This is the average number of units used by 1,000 enrollees in a year;
- **Allowed charges per unit.** This is the average allowed amount per units;
- **AMPB.** Average monthly allowed charges per beneficiary, based on the allowed amount on the claims;
- **Percent Receiving.** Percentage of beneficiaries receiving the service, which is calculated as the number of unique beneficiaries receiving the service as a percentage of the total Part B fee-for-service enrollment.

Methodology

The Medicare 5% Sample files from calendar years 2008 through 2012 were used to perform the analysis. The 5% Sample contains de-identified publicly available data for the Medicare fee-for-service populations. The results are multiplied by a factor of 20 to extrapolate to the entire Medicare FFS population.

The results of this analysis exclude any services performed while a Medicare beneficiary was enrolled in a Medicare Advantage plan. The scope of this analysis is limited to outpatient services.

It should be noted that allowed charges per unit may be influenced by service mix and the setting where the service was provided.

Supporting Data

Site of Service	AMPB (2008-2012)					Utilization per 1,000 (2008-2012)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Intensity Modulated Radiation Therapy (IMRT) Composite	\$3.37	\$3.44	\$3.71	\$4.18	\$3.72	79.7	84.1	91.4	98.3	93.4
Intensity Modulated Radiation Therapy (IMRT) Outpatient Hospital	\$1.34	\$ 1.45	\$1.48	\$1.77	\$1.73	41.2	41.7	43.5	48.1	47.3
Intensity Modulated Radiation Therapy (IMRT) Office	\$2.00	\$1.96	\$2.21	\$2.39	\$1.98	37.9	41.9	47.5	49.9	45.9

Site of Service	Allowed Charges per Unit (2008-2012)					Percentage Receiving (2008-2012)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Intensity Modulated Radiation Therapy (IMRT) Composite	\$507.40	\$490.84	\$487.09	\$510.27	\$477.94	0.27%	0.29%	0.29%	0.31%	0.31%
Intensity Modulated Radiation Therapy (IMRT) Outpatient Hospital	\$390.29	\$417.27	\$408.28	\$441.58	\$438.90	0.14%	0.15%	0.15%	0.16%	0.16%
Intensity Modulated Radiation Therapy (IMRT) Office	\$633.25	\$561.34	\$558.32	\$574.75	\$517.65	0.13%	0.14%	0.16%	0.16%	0.15%

Site of Service	Total Allowed Cost (2008-2012)				
	2008	2009	2010	2011	2012
Intensity Modulated Radiation Therapy (IMRT) Composite	\$1,264.6	\$1,284.2	\$1,403.3	\$1,598.3	\$1,438.3
Intensity Modulated Radiation Therapy (IMRT) Outpatient Hospital	\$503.5	\$542.3	\$558.7	\$678.7	\$668.0
Intensity Modulated Radiation Therapy (IMRT) Office	\$749.5	\$734.0	\$837.9	\$913.9	\$768.0

Composite values include some lower volume sites of service not highlighted in this analysis.

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