



# Financials of XR-29

## Summary of XR-29

In April of 2014, the Protecting Access to Medicare Act was signed into law and contained within stated that the **outpatient and physician** reimbursement for certain diagnostic CT scans will be reduced by 5% (2016) and 15% (2017+) if a CT system is not compliant with XR-29 guidelines. These guidelines, issued by the National Electrical Manufacturers Association (NEMA) are:

1. **The CT DICOM Radiation Dose Structured Report** - Reporting
2. **CT Dose Check** - Control
3. **Automatic Exposure Control** - Automation
4. **Pediatric and Adult Reference Protocols** - Standards

Many, if not all, CTs manufactured after 2011-2012 will have these features built into the firmware/software of the machine. Older units can achieve compliance with a software package, upgrade, or in rare cases may need replacement.

## Achieving Compliance & Evaluating the Financial Impact

Outlined below are three options to achieve XR-29 compliance, and how Meridian can help your hospital become compliant.

### Software

Meridian works with third party companies that offer software packages to satisfy the XR-29 guidelines. Pricing ranges from \$35,000-\$100,000+, and this is often the most economical path to avoid the Medicare payment reduction. The software packages are machine specific but work with a majority of 16+ slice scanners manufactured in the past ten years.

### Buying New

Replacing an older CT may be in the provider's best interest if the current system has eight slices or less, does not meet the organization's clinical goals or has increasing maintenance costs or issues. If this option is chosen, Meridian Leasing can provide flexible lease financing, allowing the hospital to acquire the CT with greater ease. The price range for a new CT scanner is between \$500,000 and \$1.1M depending on the level of technology and feature set. It is our recommendation the decision to buy a new CT scan be made on the clinical requirement, not solely XR-29.

### Refurbished

As value-based reimbursement and the importance of providing quality care with a lower cost structure increases, acquiring a refurbished CT can provide the best return on investment. With a list price 40%-60% less than the new equivalent, Meridian Leasing can provide a scanner that will be XR-29 compliant and meet the clinical requirements of all but the most advanced facilities.

## Next Steps

Meridian Leasing, a WSHA Industry Partner, are experts and investors in healthcare technology. We help our clients acquire and finance the right equipment at the right price. Beyond delivering access to capital and, our advisory services and market intelligence help providers achieve the greatest return on investment and navigate regulation changes such as XR-29.

To reduce costs or satisfy unplanned or under budgeted capital projects, Meridian can supply a full range of off-lease and refurbished medical equipment. This includes diagnostic imaging, laboratory and durable assets.

## Let's Continue the Conversation

**To hear more about what XR-29 means to your organization or to discuss upcoming capital projects, contact:**

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Meridian Leasing is a member of Meridian Group International, operating worldwide. Meridian Leasing provides aggressive pricing and flexible options across manufacturers, asset categories, lease terms, and deal sizes. Our specialized focus area, Meridian Healthcare, serves the full spectrum of the healthcare industry. Through market expertise and strong position in the new and secondary markets, we help healthcare organizations improve their financial and operational performance while enhancing patient care.

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