



## Kaiser Daily Health Policy Report

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Health Care Marketplace

### Insurers Using Radiology Benefit Managers To Cut Down on Unnecessary, Costly Imaging Procedures

Health insurers are increasingly denying coverage for medical imaging procedures recommended by physicians that are judged to be unnecessary, in an attempt to reduce health care spending by \$30 billion annually, according to a report released on Monday by *America's Health Insurance Plans*, *Bloomberg/Hartford Courant* reports. Imaging procedures account for nearly \$100 billion in U.S. health care spending, but about half of scans for some conditions fail to improve patients' diagnoses or treatments, according to AHIP.

As health care costs rise in the U.S., more insurers have begun using radiology benefit managers to reject medical imaging procedures they determine to be unnecessary, according to Shay Pratt of the *Advisory Board*. Pratt noted that more than 80 million U.S. residents already are required by their insurers to get prior approval from radiology benefit managers for the tests, but that number could grow to 120 million in two years. Wayne DeVeydt, CFO of *WellPoint*, said, "We've seen radiology growth trends in the 20%-plus range drop to the low single digits" when pre-screening is implemented. He added that prior authorization is "going to be a huge growth area" for insurers. *Bloomberg/Courant* reports that RBMs also negotiate discounted fees for scans, require that imaging facilities be accredited and guide consumers to less expensive testing centers (*Bloomberg/Hartford Courant*, 7/29).

The report cites a *Government Accountability Office* report that showed a rapid increase in Medicare imaging costs and suggested that Medicare adopt prior authorization to curb the trend (*Reichard, CQ HealthBeat*, 7/29). The *Bloomberg/Courant* reports that Medicare doubled its spending on outpatient imaging to \$14.1 billion from 2000 to 2006. According to *Bloomberg/Courant*, Medicare has "taken an initial step" by limiting payments to imaging facilities that perform more than one procedure on the same patient in the same day. However, Herb Kuhn, deputy administrator for Medicare, said more limits are needed to address "extraordinary growth" in scanning services.

Christopher Ullrich, managed care committee director for the *American College of Radiology*, said the trend could endanger patients. "You're going to find patients with a headache who turned out to have an aneurysm or who had abdominal pain that wasn't investigated and turned out to be a tumor," Ullrich said (*Bloomberg/Hartford Courant*, 7/29).

#### Other Techniques

The *Wall Street Journal's* *Health Blog* on Monday examined other programs health insurers are using to limit spending on medical imaging procedures. According to the *Journal*, *UnitedHealth Group* has a program called "advanced notification" in which physicians are required to notify UnitedHealth via phone, fax or the Internet before giving a patient a non-urgent scan. The *Journal* reports that if "something looks out of whack" to the insurer, a UnitedHealth physician calls the prescribing physician to discuss the discrepancy. Under the program, physicians risk not being paid if they fail to notify UnitedHealth prior to performing the scan.

Minnesota-based *HealthPartners* has placed a so-called "decision support" tool for physicians into patients' electronic health records. Physicians can enter a planned scan into a computer while the patient is in the exam room and receive "feedback on whether a scan makes sense" and other results.

According to the *Journal*, both companies will reimburse physicians for the scans whether or not they follow the insurers' advice. However, HealthPartners officials said its program has helped avoid about 7,000 unnecessary scans. UnitedHealth officials said physicians in its program have changed which test they are ordering 3% of the time and canceled the order 9% of the time (Rubenstein, "Health Blog," *Wall Street Journal*, 7/28).