

Radiology benefit managers adversely affect referring physicians, study suggests

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which provide prior authorization for imaging services using proprietary algorithms to determine appropriateness — shift significant costs to physicians and have the potential to either increase or decrease societal costs, according to a study in the June issue of the *Journal of the American College of Radiology*.

RBM's are widely used by private payers to manage the utilization of imaging services through prior authorization, and they have been proposed for use in the Medicare program. "We created a framework for evaluating the impact of key parameters on the ability of RBM's to lower costs and used decision-analytic modeling to simulate the net impact of RBM's on health care costs under uncertainty from a societal perspective," said David W. Lee, PhD, lead author of the study.

Researchers created a model of a "typical" RBM's prior authorization process and used base-case values for each parameter drawn from published data and the experience of a large, academic institution. As designed, the model predicts that the RBM would have no impact on health care costs.

Under this scenario, RBM's were projected to achieve cost savings of \$640,263 through a 12.5 percent reduction in imaging utilization. The model also predicted that these costs savings were offset by RBM fees of \$458,197, as well as costs of \$182,066 to [physicians](#) and their staff members who expended resources complying with RBM procedures. In other words, approximately 28 percent of the total projected savings

provided by an RBM are shifted to providers.

"Our analysis demonstrated that RBMs have the potential to either increase or decrease societal costs under a range of plausible assumptions about the parameters that govern their economic impact. We also show that significant RBM-related costs are shifted onto physicians and their staff members who expend resources complying with RBM requirements," said Lee.

"Providers can mitigate the cost shift caused by RBMs by proactively working to ensure that imaging study orders are appropriate. The [radiology](#) community can assist in this effort by continuing to improve and expand ACR Appropriateness Criteria® so that physicians who order imaging studies will have better information to guide their decisions, and radiologists can work locally to ensure that appropriate imaging occurs in their communities," said Lee.

More information: www.jacr.org

Provided by American College of Radiology

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