

New report examines how Medicare Shared Savings Program can affect radiology practices

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A new study by the Harvey L. Neiman Health Policy Institute examines how the incentives in an alternative payment model (APM) - the Accountable Care Organization Shared Savings Program (ACO SSP) - might influence cost, quality, utilization and technological investment for radiology practices. The paper, published in collaboration with industrial engineers from Virginia Tech, is available online in the journal *Health Care Management Science*.

"Radiology practices face a number of challenges when it comes to meeting the sweeping changes to reimbursements under the Medicare Access and CHIP Reauthorization Act," said Danny R. Hughes, PhD, Neiman Institute senior director for [health policy research](#) and senior research fellow. "Among these is determining whether they will participate under the Merit-Based Incentive Payment System or the alternative payment model (APM) provisions."

Hughes and his co-investigators specifically studied the Medicare Shared Savings Program (MSSP) for ACOs and developed a mathematical model to analyze and improve MSSP with a focus on computed tomography (CT) scan use. The researchers found that provider participation in ACOs occurs at very different cost benchmarks and physician provider shares vary according to the cost benchmarks set between payers and ACOs. They also learned that the dynamic relationship between provider shares and the cost threshold have

important implications on utilization and patient health, and that ACO participation reduces the likelihood that hospitals will invest in new technology.

"Our health care system is so complex that it is difficult to foresee the consequences of proposed policies and organizational changes," said Christian Wernz, PhD, a Neiman Institute grantee and assistant professor of industrial and systems engineering at Virginia Tech. "Our research aims to provide policy makers, payers and hospital executives with decision support that is based on rigorous, evidence-based analyses. Our ultimate goal is to find ways improve health outcomes for patients while lowering costs."

Hughes and his co-authors note that although their research only considers the Centers for Medicare & Medicaid Services' ACO SSP, it is likely that many of their results are applicable to radiology practices under other APM arrangements.

"Perhaps, as others have said, the unintended consequences of these programs are related to the volume of APM programs available – causing providers to question these programs' permanence and not really change their behaviors. However, it's always possible, as we learn from ACO SSPs that at least some of these consequences may be built into the program's incentive structures themselves," added Hughes.

More information: Hui Zhang et al. Modeling and designing health care payment innovations for medical imaging, *Health Care Management Science* (2016). [DOI: 10.1007/s10729-016-9377-z](https://doi.org/10.1007/s10729-016-9377-z)

Provided by Harvey L. Neiman Health Policy Institute

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