Anthem move shows how payors are 'steering' patients
By Kate Madden Yee, AuntMinnie.com staff writer

September 1, 2017 -- In an effort to contain healthcare costs, insurers are resorting to "steering," or pushing patients toward a particular form of imaging service. Nowhere is that more obvious than in the move by Anthem Blue Cross Blue Shield of Indianapolis to require physicians to get permission for CT and MRI scans in hospital outpatient settings.

This summer, Anthem announced that it would no longer automatically pay for CT and MRI exams conducted in hospital-based outpatient settings. The new rules demonstrate how payors are actively seeking to direct patients to service locations they believe are more cost-effective.

To implement the change, the company is partnering with benefits management firm AIM Specialty Health (AIM) to add a review process: When providers order a CT or MRI exam at a hospital-based outpatient facility, they receive a list of alternate freestanding imaging centers; if providers still select the hospital-based facility, they must indicate a reason the location is medically necessary.

AIM then reviews the request. If it determines that the hospital location isn't necessary, it refuses the order, Anthem wrote in a May letter to its providers.

"If the service is medically necessary but the outpatient facility setting is not, a medical necessity denial would be issued for the service," the company wrote.

The program started in Indiana, Kentucky, Missouri, and Wisconsin on July 1, and it will roll out to Ohio, Colorado, Nevada, Georgia, and New York on September 1, Anthem spokesperson Lori McLaughlin told AuntMinnie.com via email.

Disturbing trend

The concept of preauthorization has been around for a while, according to Dr. Ezequiel Silva, chair of the Commission on Economics at the American College of Radiology (ACR). The ACR has never been a proponent of this method of managing healthcare costs, he said: Preauthorization means that benefits management firms not directly involved in patient care are making decisions better left to physicians and their patients.

"At the ACR, we've long advocated for prospective interaction about imaging services, rather than retrospective interaction," Silva told AuntMinnie.com. "Tools like clinical decision support and
appropriate use criteria are more effective than preauthorization and protect the confidence that can exist between physicians and their patients."

But Anthem’s new payment policy for CT and MRI represents a relatively new trend, one that goes beyond preauthorization to actually steering patients to service locations the insurer deems more cost-effective, Silva said.

"Insurers requiring preauthorization in an attempt to establish the medical necessity for a test is nothing new," he said. "But we’ve never seen this kind of effort applied to particular sites of service. Now you’ve got an insurer making judgments about which location has the 'appropriate level of care.'"

The problem is that determining where an imaging exam should be performed based purely on cost doesn’t take important factors into account, according to Silva. For one, hospitals and freestanding centers are reimbursed for imaging services differently: Hospitals are under the Hospital Outpatient Prospective Payment System (HOPPS), and radiologists at freestanding centers are under the Medicare Physician Fee Schedule (MPFS).

"The way services are valued in the MPFS and the way they’re valued in the HOPPS are different, and comparing them to establish the price of something like a CT exam is like comparing apples to oranges," Silva said.

Other considerations left behind when cost is the only determining factor include the quality of equipment at a particular facility, the subspecialties of the available radiologists, the availability of medical records, and other “intangibles” such as the relationships between referring physicians and their patients -- not to mention between referring physicians and the facility’s radiologists.

"We have to acknowledge that cost is a relevant consideration," Silva said. "But to set policy using cost alone doesn’t reflect the overall quality of an imaging facility, whether it’s the hospital or a freestanding center, and it doesn’t reflect the overall quality of what radiologists do. It’s shortsighted."

Legal problems?

Steerage programs make it difficult for patients to make well-informed decisions about their healthcare, the ACR wrote in a 2013 white paper on the topic.

"In many cases, the economic interests or motivation of the benefit management company are not transparently disclosed to the patient who is being contacted," the college wrote. "Referring physicians are often not provided with an opportunity to review the information given to the patient to ensure accuracy, and the caller scripts used by the companies to call patients are also undisclosed. Many patients have difficulty making fully informed decisions in these situations."

But beyond how steerage programs could negatively affect patient care, they could also cause legal concerns for insurers, according to the ACR. It listed five areas of concern:

- **Medical liability.** If a patient was actively steered to an imaging center and a cancer was missed, not only could the imager, the imager’s employer, and the imaging center be sued, but there could be grounds for liability on the part of the radiology benefits management firm and the insurance company for which the firm served as an agent.

- **Antikickback/fraud and abuse.** The federal antikickback law prohibits one from offering, paying, soliciting, or providing something of value in exchange for referring -- or accepting referrals of -- federally payable healthcare items or services. Patient steerage to a "more economical" practice that agrees to cut its prices in return for obtaining referrals could violate the antikickback statute.
• **Breach of contract.** It's possible that a radiologist or other physician who interprets images could claim that the steerage breaches his or her contract with the payor to receive referrals.

• **Antitrust.** Does steerage unlawfully restrain radiologists' opportunity to practice their profession?

• **Defamation.** Radiologists might claim that the benefits manager or payor libeled or slandered them by maligning their reputation -- specifically by "demoting" them to a lower tier or excluding them altogether from the provider network.

**Misguided**

What's the bottom line? Trying to steer physicians and patients to particular facilities in order to manage costs is misguided, according to Dr. David C. Levin of Thomas Jefferson University. Levin consults for healthcare benefits management company HealthHelp, which bases its business on a protocol that does not deny studies, but rather uses peer consultants to educate referring physicians about the appropriateness of a particular exam.

"Anthem has no business trying to interfere with the ordering patterns of physicians," Levin told *AuntMinnie.com.* "A policy like this disrupts relationships doctors may have with hospital-based radiology groups they've worked with and trusted for years."

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Last Updated np 9/1/2017 11:45:32 AM

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