

June 15, 2009

Max Baucus, Chairman
Senate Finance Committee

Charles E. Grassley, Ranking Member
Senate Finance Committee

Edward M. Kennedy, Chairman
Senate HELP Committee

Michael B. Enzi, Ranking Member
Senate HELP Committee

Henry A. Waxman, Chairman
House Energy and Commerce Committee

Joe Barton, Ranking Member
House Energy and Commerce Committee

Charles B. Rangel, Chairman
House Ways and Means Committee

Dave Camp, Ranking Member
House Ways and Means Committee

George Miller, Chairman
House Education and Labor Committee

Howard P. McKeon, Ranking Member
House Education and Labor Committee

Dear Chairmen and Ranking Members:

The undersigned organizations are writing to express our concern about the inclusion of “for profit” radiology benefit managers (RBMs) in health care reform.

We share your desire to ensure only medically necessary and appropriate imaging procedures be performed on Medicare patients. However, we believe that Medicare beneficiaries will not be well served by having for-profit RBMS control their access to imaging procedures.

RBMs utilize a burdensome “prior authorization” system whereby physicians must receive approval from an RBM before ordering an imaging service for a patient. Under RBMs, patients are often denied important imaging studies, are steered towards lower-precision tests, which may not provide needed clinical information, or are forced to wait days or weeks to receive vital services.

We are concerned that patients will not understand why a physician-ordered imaging procedure is being denied coverage by RBM staff who are generally not physicians and have not seen the patient. Specifically, additional questions deserving consideration include: will Medicare beneficiaries be informed that RBMs now control their access to coverage; will patients have an opportunity to opt out of RBM controlled care; and will patients have a rapid and fair appeal mechanism so they can decide whether or not to pay out of pocket for an imaging test.

We also question whether or not the true costs of RBMs are reflected in their promotional material. As recent publications note, the average physician spends more than \$68,000 dealing with insurers and their RBM organizations.¹ This cost is not borne directly by the insurers, but are real costs that drive up overall health care expenditures. There are additional costs that result when imaging tests

¹ Casalino LP, Nicholson S, Gans DN, Hammons T, Morra D, Karrison T, Levinson W. What Does It Cost Physician Practices To Interact With Health Insurance Plans? *Health Aff (Millwood)*. *Health Affairs* 28, no. 4 (2009): w533–w543 (published online 14 May 2009; 10.1377/hlthaff.28.4.w533)]

(and therefore appropriate treatments) are delayed. Similar additional costs occur when RBMs initially only allow a less expensive test and then later allow a more expensive test because the initial test was inconclusive.

Professional medical societies are taking steps to ensure that only medically necessary imaging procedures are performed and the growth rates are declining. We are developing training guidance, appropriate use criteria, guidelines and other clinical documents to guide our members.

Non-hospital imaging has been subject to significant fee cuts already, other fee cuts are being phased in and additional fee reductions are being contemplated and we fear that such cuts could become counterproductive. Medicare pays significantly more for imaging procedures done in hospitals and curtailing medically necessary care outside of hospitals will only result in increased cost at hospitals. Medicare funds would be better spent on patient care and fostering participation in quality improvement programs, including the use of physician-designed appropriate use criteria and clinical decision support tools. Such programs have been shown to reduce the use of inappropriate studies while maintaining point of care interactions.

As the Senate and House work to address physician payment issues, we hope that you will oppose any inclusion of RBM type policies. Thank you for your consideration of this important issue.

Sincerely,

American Association of Clinical Endocrinologists
American Association of Neurological Surgeons/
Congress of Neurological Surgeons
American Academy of Neurology Professional Association
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Obstetricians and Gynecologists
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Society for Gastrointestinal Endoscopy
American Society for Neuroimaging
American Society of Echocardiography
American Society of Nuclear Cardiology
American Urological Association
Cardiology Advocacy Alliance
Heart Rhythm Society
Medical Group Management Association
Society of Gynecologic Oncologists
Society for Cardiovascular Angiography and Interventions
Society of Cardiovascular Computed Tomography
Society for Cardiovascular Magnetic Resonance
Society for Vascular Surgery

CC: Senate Majority Leader Senator Harry Reid
House Speaker Nancy Pelosi