

Wellmark High Tech Imaging Pre-Authorization Program

Report to the Iowa Medical Society

September 2007

Background: Between 2001 and 2003 Wellmark Blue Cross and Blue Shield saw trend increase in the utilization of diagnostic imaging services and a 72% increase in benefit expense related to these services. The increase raised concern from a patient safety and cost perspective. Benchmarking demonstrated that Wellmark's experience was significantly higher than other Midwest health plans. Other factors as listed below were part of the analysis Wellmark considered in looking for solutions to change the trend of these services.

Significant Growth: Driven by high-tech services such as CT, MRI, Nuclear Medicine, and PET, outpatient diagnostic imaging has become the fastest growing medical expenditure in the United States.

- In the Commercial market, outpatient diagnostic imaging costs are increasing by 15% to 35% annually.
- Imaging costs are also among the fastest growing cost component in the Medicare program. Between 1999 and 2004, the amount of imaging services per Medicare beneficiary increased by 62% -- double the rate of increase for Medicare physician services overall.

Unnecessary Imaging: While much of this growth can be attributed to the advancing diagnostic capabilities and uses of these modalities, it is estimated that as much as one-third of all outpatient imaging is clinically unnecessary. (This estimate is a result of research compiled by American Imaging Management, Inc.)

Network Challenges: In addition to clinical appropriateness, health plans are also facing growing barriers to effectively managing the provider network for diagnostic imaging. These challenges include:

- The increased availability of equipment;
- The evolution of imaging into specialties beyond radiology;
- Lack of information on the diagnostic imaging network.

After a thorough review and analysis, the decision was made to initiate the Utilization Management Program for High Tech Imaging. After review of vendor capabilities, Wellmark entered into an agreement with American Imaging Management, Inc (AIM). The program was implemented in January 2006.

Results of the First Year: The purpose of the Utilization Management (UM) Program for High Tech Imaging was to address 2 concerns. First, the rapid growth in the use of imaging; greater use of computerized tomography, with its higher radiation doses compared to many other types of imaging; and renewed focus on the carcinogenic properties of radiation caused concern to Wellmark and the risks to the Wellmark member. Second, our employer's ability to afford to offer health coverage for its employee is impacted by the increasing trend of the services and the proliferation of equipment.

The results for the first year of the program demonstrate that the program was successful in achieving better cost management through appropriate and efficient utilization of outpatient diagnostic imaging. The impact on the utilization trend is a result of AIM's collaborative peer to peer model of education and scientific based consultation with physicians as demonstrated in the tables below: (Source: Wellmark claims data)

Utilization results:

	CT SCAN	MRI	NUCLEAR IMAGING	PET
Pre- Program Trend	18.7%	15.5%	14.2%	51.0%
2006 Trend	-0.3%	0.1%	-5.9%	20.8%

Pre authorization activity

	APPROVALS	DENIALS	REDIRECTS	WITHDRAWALS
2006	122,283	559	245	1,780

The goals of the pre authorization program as stated were to reduce unnecessary exposure to higher radiation doses and to ensure the appropriate tests per standard of clinical care. The difference in the pre program trend compared to the 2006 post implementation trend demonstrates a benefit cost reduction of \$1.69 per member per month.

Next phases: Enhancements to the program have occurred throughout the year to improve the satisfaction to the provider community. These improvements will continue. In addition, AIM continues to explore expansion of their authorization offerings such as a cardiology authorization program and an assessment report card that provides to the ordering providers and consumer information about the quality and cost of the facilities that perform diagnostic imaging. This fall the Outpatient Diagnostic Imaging (ODI) Physician Advisory group will convene to provide feedback on new initiatives.