ACA and Radiology: The End of the Beginning

By Timothy V. Myers, MD [2] and Peter R. Bartling, MBA [3]

The Supreme Court decision isn't the end of changes we will see in radiology or health care. Only progressive and entrepreneurial radiology groups are likely to survive.

“No this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.”
— Winston Churchill

And so with a stroke of the pen — or many pens and many pages of paper in this case along with a bit of the Washington two-step — ends the debate regarding the Patient Protection and Affordable Care Act (PPACA). The Supreme Court in essence upheld the PPACA essentially in its entirety. Immediately, proponents and opponents of the PPACA were wildly spinning their points of view on the decision.

Insurance companies seem to be reasonably happy with the trade-off of being required to provide coverage to patients with pre-existing health conditions in return for the requirement that most people buy insurance or pay a tax penalty if they fail to get coverage. Whether part of an ACO or acting independently, many companies will seek to improve — that is decrease — payments to both hospitals and physicians by increasing or developing incentives to promote outpatient care. This includes treating patients at the clinic or urgent care center levels rather than escalating them to the emergency room where there is an increased likelihood of admission.

It is not all about the patient, however, as companies try to cut administrative costs to meet the law's requirement that insurers in the individual/small group and large group markets spend 80 percent and 85 percent of premiums, respectively, on health care services.

Hospitals have a significant potential benefit with an additional 30 million or more people expected to obtain health insurance in 2014, adding to their bottom line by decreasing the numbers of uninsured patients showing up for emergent care or admission. Additionally, it is expected that patients will be treated in earlier stages of disease leading to decreases in numbers of late stage admissions and chronic care patients. Patients in at-risk or high-risk categories also may be treated earlier in the disease process leading to an overall improvement in patient care.

While physician groups were generally pleased with the court's ruling, the true feelings of physicians regarding the changes are less clear. When the AMA came out in favor of the PPACA initially, there was a concern that a decrease in its membership was related. One point was clear from both physicians and physician groups, however: any sustainable health care system needs to promote and incentivize care that focuses on measurable quality improvements, improvements in patient outcomes and a better clinician/patient experience that focuses on the goals of improved and more efficient diagnosis, prevention and management of chronic diseases and populations at risk.

For radiologists and imaging centers, the 75 percent equipment utilization assumption rate and 50 percent reduction for multiple procedures applied to the technical component remains in effect. While the American College of Radiology (ACR) said they will continue to monitor the implementation of the PPACA as well as any new legislation, it is likely the proposed additional reductions for radiology and radiologists are likely to move forward.

Radiologists and radiology groups who have been working toward changes that will moderate the effects of this and other changes, including additional reductions to reimbursement, will definitely be in a better position to absorb these changes. Those who have been hoping for repeal or significant changes are definitely in for a rough road as they try to catch up.

No, this is not the end of the changes we are going to see in radiology or health care. This does, however, mark the end of the beginning. In radiology, we will likely see an increase in the pace of the loss of radiology hospital contracts, mergers and acquisitions. Only radiology groups that are progressive and entrepreneurial with respect to improvements in measurable quality, increased collegial relationships with their clinicians and hospital administration, and improved experiences for the patient undergoing radiology procedures are likely to survive.

Will your group be there at the end?
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