



How Well Are You Managing Your Diagnostic Referrals?

Five Reasons You Need a Diagnostic Management Program

With diagnostic radiology costs representing the fastest growing area of medical expense, workers' compensation payers must take appropriate steps to manage the cost and quality of these exams.

However, overpayment for advanced radiology procedures and inefficiencies in the diagnostic referral process—what the industry generally refers to as “leakage”—is a significant problem that has led to millions of dollars of waste.

Many payers do not realize that a leakage problem exists, but more organizations are now trying to understand their own diagnostic referral and spending patterns to determine when and where leakage occurs. To help in this effort, One Call Medical (OCM) offers a comprehensive Diagnostic Management Program (DMP), which delivers dramatic results.

Before we outline the key components of this program, let's consider the five reasons your organization may need this type of program.

Reason #1: You'll be able to distinguish between “unmanaged” and “managed” diagnostic referrals.

Many payers route a significant portion of their diagnostic scans through traditional preferred provider organizations (PPOs). However, since PPOs do not specialize in diagnostic radiology, they may only offer a five to 10 percent discount on these services.

A large percentage of imaging exams are also performed in an outpatient hospital setting. These services are generally high in quality, but also extremely expensive. The same quality test can be performed at a more cost-efficient freestanding imaging facility.

- In general, a diagnostic radiology referral is considered “unmanaged,” if it is not routed through a specialty network, like One Call Medical.
- “Managed” referrals, on the other hand, are routed through a specialty network, and thus, benefit from an improved level of savings and quality.

For example, by working with OCM, payers gain access to the best, most highly qualified radiology providers and specialists. Whereas industry studies claim

that a significant portion of scans may provide inconclusive data, OCM has less than a 1% complaint rate on the exams it schedules. In addition, OCM rates are 45% below state fees and usual and customary rates (UCR), nationally on average.

Reason #2: OCM's advanced analytics will help you to identify and address your problem areas.

A core part of OCM's Diagnostic Management Program is its proprietary analytics, which help payers become aware of their total diagnostic spending and understand their unique breakdown in "unmanaged" and "managed" referral activity.

Before the DMP is implemented, many payers experience the following "average" referral activity:

- 67% Unmanaged
- 33% Managed through a Specialty Network

This analysis also provides significant drill-down capabilities. For example, payers can identify particular states, regions, or offices that have a high level of "unmanaged" referral activity. With this information, OCM can help payers to maximize both retrospective and prospective savings. Using a consultative approach, OCM can provide recommendations that address the payer's specific problems areas.

Reason #3: Missed opportunities don't have to mean missed savings.

In order to leverage OCM's network discounts, diagnostic referrals must be channeled through its scheduling center. In some cases, an OCM network provider may have been used to perform an exam, but since it was not properly channeled through the OCM network, the payer did not realize the savings.

To address this missed opportunity, a key component of the Diagnostic Management Program is a Retrospective Savings Program, which identifies the 10 to 15 percent of diagnostic tests that may still qualify for network discounts. OCM re-prices those services and bills the payer at its discounted rate. These savings are an immediate and substantial benefit for payers.

Reason #4: The diagnostic referral process is complex and involves multiple parties and various state regulations, making it easy for leakage to occur.

With so many stakeholders involved in the diagnostic referral process, there's increased likelihood for leakage to occur. For example, an adjuster may not realize that OCM has contracted providers in a particular geographic region, or a treating physician may have obtained approval for an exam, but scheduled it

with a non-contracted provider. These scenarios represent leakage, or missed opportunities to benefit from the savings and quality that OCM provides.

Variations in state WC regulations can also trigger leakage. OCM has in-depth expertise in regulations and the know-how to maximize referral savings, while operating within state-mandated guidelines.

In fact, the OCM Diagnostic Management Program offers a holistic approach that engages participants at all levels of a payer organization, as well as its partners and service providers. To increase savings, OCM also offers additional leakage-capture strategies:

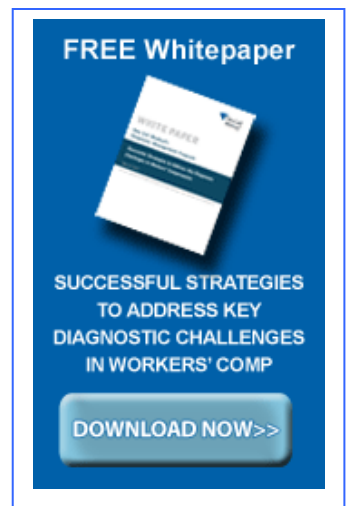
- Geo-mapping tools help identify OCM network providers in areas with a high volume of “unmanaged” referral activity.
- Workflow recommendations improve the diagnostic referral process, ensuring requests for tests are properly channeled.
- Education about the importance of diagnostic management ensure claims adjusters and nurse case managers consistently use OCM.
- Ease-of-use tools seamlessly transfer referrals to the OCM scheduling center.

Reason #5: You’ll work with the “smart” partner in diagnostic management.

One Call Medical is the largest, most experienced provider of diagnostic testing for workers’ compensation, providing more than 400,000 advanced radiology tests each year. As a result, OCM has unique access to diagnostic referral data and the advanced analytics to facilitate an in-depth and ongoing assessment of your diagnostic referral activity.

By partnering with OCM, payers can be certain that their injured workers are placed with the best diagnostic radiology providers who consistently deliver accurate diagnostic information. With prompt turnaround of medical reports, treating physicians have reliable information on which to base an accurate diagnosis and effective treatment plan, which helps employees to recover and return to work quickly.

In addition to cost and quality benefits, the OCM scheduling center focuses on patient advocacy, helping injured employees to schedule exams with imaging facilities conveniently located to their home or work. If patients have special needs, OCM care coordinators help to find imaging centers that can accommodate those requests.



The Result: You can achieve DMP success!

Our Diagnostic Management Program is comprised of three key components:

- 1) DMP Proprietary Analysis
- 2) Retrospective Savings Program
- 3) Leakage-Capture Strategies

Combined together, it represents a complete turnkey solution to help payers capture the greatest value from their diagnostic radiology tests. After implementing the DMP, many payers have been able to achieve a dramatic shift from “unmanaged” to “managed” referral activity:

- 33% Unmanaged
- 67% Managed through a Specialty Network

In general, this shift means clients can expect to reduce their total universe of advanced diagnostic spending by 20 percent. Overall, OCM saves clients more than \$150 million a year.

For more information about the Diagnostic Management Program, and how you, too, can experience these benefits, please contact:

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