



Research Reveals Two-Thirds of Advanced Radiology Services in Workers' Compensation are Overpaid by 30-40%

The Result Is Higher Costs for Today's Fastest Rising Medical Expense and Potential Delayed Return to Work

Parsippany, NJ (March 3rd, 2009) - Today, more than two-thirds of advanced radiology services are performed without the benefit of a specialized network, according to research analysis performed by One Call Medical, the nation's premiere leader in diagnostic testing for workers' compensation.

"Diagnostic radiology costs now represent the fastest growing medical expense, and the fees that programs pay for tests performed outside of specialized diagnostic networks are substantially higher. In addition, programs lose the benefit of prompt scheduling with credentialed providers, which promotes a fast and safe return to work," said Don Duford, President of One Call Medical. "We estimate that proper management of diagnostic radiology can reduce total medical costs by as much as one to two percent, and these savings increase over time as health care and fee schedule inflation climb while these costs remain fixed."

The challenge in achieving these savings is that claims examiners, nurse case managers, and treating physicians often schedule MRIs or CT scans "out of network" or directly with an imaging facility—missing the opportunity to leverage specialized network's discounts and quality oversight. These "out of network" tests lead to higher medical and diagnostic costs, and can often result in a negative impact on patient care. One Call's research also revealed that accepted state fees or usual-and-customary rates are typically 30 to 40 percent higher on average nationally than the discount rates available through a specialized diagnostic network.

According to a report by the Association of Health Insurance Plans, almost \$100 billion a year is spent on imaging in the U.S. and these costs are expected to double in just four years.ⁱ Diagnostic radiology costs—with its 20 percent growth rateⁱⁱ—is the fastest rising area of medical expense,ⁱⁱⁱ increasing at twice the rate of prescription drugs and faster than overall healthcare spending, which is rising at only 10 percent each year.^{iv}

"Diagnostic radiology is really the new frontier for payers to manage," noted Duford. "Unfortunately, most payers are unaware of how much they currently spend on these services or how to change processes to capture optimal savings and ensure use of quality providers. We consult with many payers to improve the diagnostic management and referral process in order to optimize savings, efficiency, and quality care. "

One Call Medical's comprehensive diagnostic management solution includes:

- Diagnostic Management consulting services using workers' compensation payers own total advanced radiology spend and referral trend data to identify targeted strategies to improve diagnostic network penetration, reducing overall costs

- A specialized diagnostic network that can offer up to 45 percent in savings below state fee/UCR, nationally on average, for advanced radiology services
- Impeccable provider credentialing that ensures payers are using only high quality imaging facilities
- Education and training to improve diagnostic referral patterns among claims adjusters, nurse case managers, and treating physicians
- State-of-the-art electronic tools that streamline the entire diagnostic referral to billing process

About One Call Medical, Inc.

One Call Medical, Inc. (OCM), the leading specialized Preferred Provider Organization, offers a nationwide network of fully credentialed high quality facilities and reduced cost for radiology and neurodiagnostic services. One Call Medical's network includes coverage in all major metropolitan areas across all 50 states. OCM customers realize significant cost savings, receive exceptional scheduling and medical report turnaround services and are confident in knowing that their patients obtain the best quality diagnostic testing in credentialed facilities. OCM's customers include the nation's leading Workers' Compensation and Group Health insurers, third-party administrators, as well as self-insured employers. More information about One Call Medical can be found at www.onecallmedical.com.

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ⁱ "Ensuring Quality Through Appropriate Use of Diagnostic Imaging," America's Health Insurance Plans (AHIP), August 2008

ⁱⁱ Jane DuBose, "Health Plans Plot How to Rein In Radiology Costs," HealthLeaders, Winter 2005 and David Kaplan, "A new way to manage radiology utilization could help limit costs," Managed Healthcare Executive, September 2006

ⁱⁱⁱ David Kaplan, "A new way to manage radiology utilization could help limit costs," Managed Healthcare Executive, September 2006

^{iv} John Boyes, "The DRA: surviving and thriving," Imaging Economics, November 1, 2008