



“Redesigning Health Insurance Benefits, Payment and Performance Improvement Programs”

**Pay for Performance Subcommittee
Committee Meeting #3**

Statement of

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I am Dr. Harvey L. Neiman, Executive Director of the American College of Radiology and a diagnostic radiologist. As the nation's leading organization representing radiologists, the ACR is dedicated to upholding the highest standards of radiologic care.

I appreciate the opportunity to present the ACR's views on linking physician payment to quality of care and I commend the Institute of Medicine for its leadership in bringing national attention to the need for health care quality and safety improvements.

The ACR supports Congress and the Administration in exploring a policy to reduce Medicare expenditures by linking pay for performance and quality standards to Medicare reimbursement.

The College believes that our well-established quality initiatives and ongoing development of numerous efforts in this regard could eventually translate into a template for pay-for-performance policies that Congress and the Administration may want to pursue.

The IOM should also know that ACR has worked closely with the Medicare Payment Advisory Commission and we are urging Congress to pass legislation this year that would link Medicare reimbursement for imaging services to mandatory quality, safety and training standards for any physician providing these services, regardless of their medical specialty.

The ACR has a long history of developing numerous quality assurance measures, including:

- Accreditation programs to ensure that radiologist as well as non-radiologist providers and clinical personnel meet stringent education, training and experience standards and that imaging equipment is functioning safely and properly.
- ACR Appropriateness Criteria™ to educate non-radiologist referring physicians concerning the optimal diagnostic imaging test for nearly 200 clinical conditions. These criteria help to eliminate unnecessary tests, improve quality of care, and lower health care costs.

- Also - ACR Practice Guidelines and Technical Standards, which are continually updated to meet advancing technology and evidence based standards of care.
- RADPEER™, an innovative peer review program developed by leaders in the profession to assess the accuracy of image interpretation. And beginning this month, our Web-based e-RADPEER™ program.
- As well as numerous other products that seek to raise the level of excellence in all facets of diagnostic imaging.

The ACR defines pay-for-performance as differential payment among providers based upon performance with respect to quality and efficiency measures associated with improved outcomes. It is commonly understood that the “performance” aspect of pay-for-performance involves: structural measures, clinical processes, health outcomes, and patient experience.

In this regard, the ACR believes—as a matter of principle—that pay-for-performance measures must be:

- Developed, maintained and updated in consultation with appropriate professional organizations and medical specialties,
- Risk-adjusted,
- Phased in over time, and
- Evidence-based, when possible.

Pay-for-performance measures must also be:

- Uniform across all providers of imaging services,
- Uniform across payers,
- Minimally burdensome to collect and report,
- Transparent to the physician in terms of both the judgment criteria and the data on which reimbursement decisions are made, and
- Not overly burdensome to small groups or rural practitioners.

Although the College strongly supports pay-for-performance efforts, the specialty of radiology inherently presents some challenges in applying pay-for-performance programs that, currently, focus more on primary care physicians and in-hospital care. The ACR has been a leader in quantifying the issues regarding radiation dose, patient safety, and image quality, as exemplified by its accreditation programs in mammography, computed tomography and others.

However, tying image interpretation to patient outcome is difficult because it is only one event in the continuum of patient care. Traditionally, diagnostic radiology has been at the front end of the continuum of care. More recently, with the development of new technologies, diagnostic imaging is an integral part of all other aspects of patient care. The ACR urges the IOM to look at measures that reflect multiple points in the episode of care, including early diagnosis.

To date, there are numerous private payers that recognize and mandate the quality and safety programs that the ACR offers. Additionally, the ACR is particularly proud of its National Cancer Institute-funded clinical cooperative trials group (ACRIN) that has been established to evaluate optimal imaging strategies and techniques in the diagnosis of cancer.

Most recently, the ACR was awarded funding, by CMS, for the PET registry that has been established to develop a database with sufficient data for making future PET coverage decisions and to provide valuable data on the accuracy of PET and its impact on physician management of patients.

Challenges exist in implementing an outcomes-based pay-for-performance program in radiology:

- As noted, assessing clinical outcomes for a diagnostic imaging practice is not easy. As a result, the ACR is currently undertaking the development of a national data registry that will encompass important aspects of clinical quality benchmarks, including safety measures and radiation dose.
- Also, radiologists often provide their services in hospitals and in imaging centers to patients referred by other physicians, making it hard to single out the contributions of radiologists from those of other members of clinical teams.
- Patient information flowing to radiologists is often incomplete; therefore, the development of an electronic medical record would be an important step in demonstrating the role that radiologists play in mitigating disease.

As pay-for-performance goes forward, decision-makers should be aware of several additional issues that need to be addressed that cut across all specialties:

- Performance evaluations should be based on a broad range of measures that foster optimal patient care across the entire spectrum of care.
- Also, smaller and/or rural practices might lack the capital to invest in the information technology required to make systemic improvements in records management and other information technologies, making it difficult for them to compete with larger groups.
- Payers and policy-makers must understand the financial consequences of the regulatory burden created by new demands for information technology and must be prepared to reimburse providers accordingly.
- Pay-for-performance designs may not be able to adequately adjust for vast differences in patient characteristics between competing providers, skewing care towards low risk patient groups.

In light of the challenges that I have outlined, the ACR urges the Institute of Medicine to consider several critical issues in preparing any pay-for-performance guidelines for radiology.

Although evaluating clinical outcomes for a diagnostic imaging practice would not be as straightforward as it is for other specialties, pay-for-performance might initially be applied to diagnostic imaging by:

- **First**, gauging patient and referring physician satisfaction. This includes the quality and timeliness of the written imaging report, tracking ease of appointment scheduling, as well as waiting times for studies, safety protocols used in the facility, qualifications of the attending staff and the condition of facilities, much of which is required by ACR accreditation programs.
- **Second**, measuring investment in information technology and new, high quality imaging equipment to ensure optimal image quality, as exemplified by the phantom studies required by the ACR accreditation program.

- **Third**, some other benchmarks of radiology quality are being implemented by private payers nationwide. For example, one payer requires diagnostic imaging providers to offer a minimum of 40 hours per week of coverage on business days as well as frequent evening and weekend coverage, utilizing several modalities of imaging services provided by board-certified physicians.
- **And fourth**, the ACR is committed and is actively involved in developing standard, outcomes-based tools that that will enhance the overall quality of imaging care.

In conclusion:

- The ACR supports the IOM effort to link payment to quality, safety and appropriateness standards, as we are asking Congress to do for the Medicare program.
- Any performance-based measures should apply to all physicians who perform imaging. Performance based measures should apply not only to

radiologists but to all physicians who perform and interpret imaging services, regardless of specialty.

- The focus should be on structure and process measures initially, until such time as evidence-based outcomes measurements are developed.
- With the long history of work in this area, we have programs that are already implemented that could be used as a cornerstone for pay-for-performance programs, today.

The ACR looks forward to working with the Institute of Medicine and other policy-makers in our ongoing efforts to improve radiologic care for all Americans.

Thank you.