

## The Devil's in the Details

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### **Local Exec Addresses Medicare Radiology Mandates on National Stage**

Sheila Sferrella, CRA, MAS, a senior vice president with Franklin-based Regents Health Resources, tackled proposed Medicare mandates impacting diagnostic imaging for delegates at last month's American Healthcare Radiology Administrators (AHRA) annual meeting in Washington, D.C.

Part of a panel discussion on the Protecting Access to Medicare Act of 2014 (H.R. 4302), which was signed into law in April, Sferrella addressed the pros of implementing clinical decision support along with looming concerns over the feasibility of meeting the law's tight timetable.

"By 2017, Medicare has mandated that anyone performing radiology tests must have appropriateness criteria software," she explained. "The trouble is, no one has this software, yet."

The law, she said, targets advanced imaging including CT and MR and requires the testing meet certain criteria before being ordered. While most all payers currently require pre-authorization, the new guidelines will make that determination electronically.

"There will be software that any physician or hospital that has imaging equipment will have to buy," she noted. "It's supposed to save money by cutting out having to call a payer," Sferrella said of saving staff time. The bigger savings, however, comes from addressing overutilization. "That's the issue radiology has had for years. Studies have shown that physicians who have their own equipment order more (imaging) studies than those who don't," she said. "We want people to get tests they need ... but not inappropriate tests."

For example, Sferrella noted, a patient presenting with back pain should have an x-ray as the first imaging option. Taking a stepwise approach, the software should deny a physician's request to order an MRI for that patient if no other tests had been previously run. "We're a society that wants to test," she said. "Instead of doing an MR right away, which is what the patient wants, the literature shows if you wait 8-10 weeks, the vast majority of people feel better with physical therapy."

The American College of Radiology is creating the appropriateness criteria that will be turned into algorithms by software designers. Sferrella said a couple of pilot studies by CMS showed a 20-30 percent decline in utilization of imaging studies with clinical decision support in place.

The downside? Sferrella said the concern is timing and the many unknowns. "We're talking about a very short timeframe," she said. "It seems like a long time, but from all my years in hospitals, you can't implement a new system in less than 18 months from when you sign a contract." There are no contracts to sign at this point because the software still doesn't exist.

Another concern she said is that legal protections didn't accompany the mandate. "We don't have any tort reform around appropriateness criteria," she pointed out. What happens if a more cost effective imaging study doesn't pick up a problem? What if a doctor tells a technician to override the criteria and perform a more advanced test? Those are the types of questions that need to be answered, Sferrella said.



Sheila Sferrella

"We have no idea what it's going to cost so that's part of the challenge," she continued, adding the financial hit is particularly concerning for smaller, rural facilities that are already struggling. A proponent of appropriate utilization, Sferrella said it's also hard to ignore the anticipated impact in terms of lost jobs for many of those same small communities. "The average 250-bed hospital does 75,000-100,000 imaging studies annually so a 20-30 percent reduction equals another round of layoffs. That's what it looks like to me."

The biggest issue, however, remains the timing. "You've got people who really don't know a lot about healthcare creating regulations, and they don't understand the complexities of implementing them," she said.

Backing up from the January 2017 implementation date, Sferrella said the standards really need to be in the hands of vendors in the next six months if there is to be time to work through all the steps and conduct end-to-end testing. As is often the case ... the devil is in the details.

In addition to sharing insights on regulatory issues, she also led two Certified Radiology Administrator workshops during the meeting. Sferrella helped create the CRA certification program in 2002 when she served as president of the AHRA. She joined Regents Health Resources in June. A former Saint Thomas Health executive, Sferrella was most recently with Collaborative Consulting Solutions, a firm she founded to work with group practices, academic medical centers and other healthcare facilities to identify cost savings and conduct operational analysis.