

## **Radiology Getting Less-than-Fair OON Rates Due to Flawed Calculation Methods by Insurers**

The American College of Radiology (ACR) and other specialty groups have issued a public outcry that insurers' methods of determining fair-market rates for out-of-network (OON) payment is skewed and ultimately underpays them for their services. The ACR argues that this could be in violation of the No Surprises Act, which went into effect January 1, 2022, but continues to be revised by lawmakers.

The problem largely stems from inaccurate representations of payment rates for certain services. After conducting a survey of professionals in the field, the American Society of Anesthesiologists (ASA), American College of Emergency Physicians (ACEP), and ACR have found that a majority of primary care providers (PCPs) contract for services they provide two or fewer times a year — in many cases the services may not be provided at all.

This is relevant because the methods insurers use to determine the market rates in a given area are supposed to draw from the “same or similar specialty” in the same geographic area when determining fair-market value of specific services. Since many PCPs are contracting for services they rarely or ever provide, they often do not negotiate the fees for these services, which artificially lowers the median rates for everyone. This is especially problematic because PCPs outnumber other specialties, giving them disproportionate influence over the rates that apply mostly to services other specialties provide. Despite this obvious flaw in methodology, insurers continue to use non-representative data when determining their qualifying payment amounts (QPAs).

A dispute resolution process is included in the No Surprises Act, but that has its own challenges. Despite the recent publication of a final rule on the No Surprises Act which is supposed to de-emphasize the influence of median rate data when determining final payment, the evidence suggests this is still the primary factor in determining payment for arbitrators who make the final decision.

Physicians rely on fair payment for their services to ensure their business is viable and profitable. No conclusion has been reached yet as to how physicians will be more fairly compensated in the future. APS will continue to monitor developments on this issue.

Please contact your Practice Manager with any questions as to how this topic may affect your practice.