

Rural hospitals balk as insurers narrow coverage sites

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Modern Healthcare
December 1, 2017

Critical-access hospital Margaret Mary Health in Batesville, Ind., always has its imaging machines plugged in and waiting in case a stroke or trauma patient comes through the door.

That can drive up costs for imaging services compared to free-standing imaging centers, which typically operate on set hours and don't handle emergency patients.

That's why Tim Putnam, the hospital's CEO, says Anthem's decision to stop paying hospitals for outpatient MRI and CT scans hits small, rural hospitals like his especially hard.

"When patients are directed someplace else, it doesn't decrease my cost in any way," he said. "I still have to have that availability 24/7."

As insurers become more selective about where they'll cover care, rural hospitals say they're disproportionately harmed. Lost revenue from imaging often represents a sizable chunk of their bottom lines. Since many small communities don't have free-standing imaging clinics, the new insurer policy forces patients to travel for those services.

"I can tell you there are a lot of rural hospitals that are very, very, alarmed by this trend," said Brock Slabach, senior vice president of the National Rural Health Association. "We think that it's just going to further erode the financial health of rural hospitals. And more importantly, it'll be a disservice to rural communities and their patients."

There are no free-standing imaging centers in Batesville, a town of roughly 6,500 people. The nearest ones are about an hour away in Cincinnati or Indianapolis, Putnam said. Anthem does make exceptions for patients who would have to drive long distances, but Putnam said that hasn't been consistent: he's still heard of patients driving to those cities for scans.

If there are not at least two free-standing imaging centers performing the necessary service within 30 miles of the ordering physician's address, Anthem's policy allows patients to receive the outpatient scans at their local hospital.

Imaging centers are rare in rural areas because the providers rely on volume, which requires a larger population, Slabach said.

Some smaller hospitals work out relationships where they have ownership stakes in free-standing imaging centers, but Slabach cautioned the feasibility of that is entirely dependent on the size of the community. For example, in a town of about 2,000 people like the one in which he previously served as a hospital administrator, a free-standing center wouldn't make sense.

"There's just not enough patients," he said.

Dave Dillon, a spokesman for the Missouri Hospital Association, said the business model for rural hospitals is trending toward more ambulatory care as inpatient volumes shrink.

"They still, of course, need that same type of equipment for inpatient, but if they then can't use it for their ambulatory care, it makes it a little bit harder to, in the long run, capitalize those things," Dillon said.

Slabach said he's concerned Anthem's new policy could ultimately harm patients. Some research has found that having to travel long distances for healthcare adversely affects patients' health. A 2016 systematic review of 108 studies in the journal *BMJ Open*, for example, found that 77% of studies showed evidence of an association between worse health outcomes the farther a patient lived from the healthcare facilities they needed. Patients are less likely to get care in the first place when it's farther away, more time-consuming or more expensive.

The negative effects of that could find their way back to Anthem if patients opt to delay treatment, Slabach said.

Such policies can also disrupt the continuity of care for patients who were seeing doctors in the hospital.

Following Anthem's decision, some Margaret Mary patients have been sent back for repeat scans when their first ones from external clinics don't meet the necessary image caliber or don't depict exactly what the physician needed, Putnam said.

Those repeat scans wouldn't be necessary if they were taken at the hospital, as radiologists and physicians work closely together and know what the other is looking for. Now, the physicians are more frequently working with outside radiologists.

But bigger health systems haven't seen as much of an impact. Dr. Robert Witte, a diagnostic radiologist with the Mayo Clinic in Rochester, Minn., said Mayo is largely unaffected by the change, as it already does most of its outpatient imaging in outpatient settings.

Witte said he understands why Anthem would make such a decision to cut costs. He thinks free-standing imaging providers will capitalize on the move by planting themselves around hospitals in the future, a trend he's already seeing movement on in Wisconsin by Smart Choice MRI.

"But if you have a small, rural hospital that relies on imaging, MR or CT, at the hospital, they will be tremendously affected by this," he said.