



## NEWS RELEASE

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### For Immediate Release

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## **NATIONAL IMAGING ASSOCIATES' PERSPECTIVE ON HEALTH CARE REFORM: Radiology Benefits Management Offers Proven Solution to Address Medicare Imaging Crisis**

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AVON, Conn. – June 18, 2009 – As dialogue on the most effective strategies for meaningful health care reform continues to play out on a national stage, National Imaging Associates, a Magellan Health Services (Nasdaq:MGLN) company, today reemphasized the importance of ensuring that patients have access to high-quality, safe and clinically appropriate advanced diagnostic imaging services.

According to company officials, the continued growth in clinically inappropriate advanced imaging examinations has heightened the importance of including a results-oriented solution like Radiology Benefits Management as part of health care reform.

“There is indisputable evidence that our health care system – particularly Medicare – is in the midst of a crisis,” said Anthony Kotin, M.D., chief medical officer of Magellan Health Services. “There is also proof that the clinically inappropriate use of advanced diagnostic imaging is responsible for a growing percentage of these financial challenges. As a nation, we need to enact reform strategies with proven track records of success that seek to protect the best interests of patients.”

This message was highlighted in President Obama’s remarks to the American Medical Association on June 15, as he commented on a health care model that “rewards the quantity of care rather than the quality of care” and that gives “every incentive to order that extra MRI or EKG, even if it’s not truly necessary.”

According to Kotin, Radiology Benefits Management (RBM) offers a proven and reliable strategy for addressing this alarming trend while also safeguarding the clinical value of each examination and the safety of each patient. To underscore the importance of RBM as part of health care reform, Kotin offered the following industry statistics:

- Medicare spending on advanced diagnostic imaging (including procedures such as CT scans and MRIs) more than doubled from 2000 to 2006, increasing from just under \$7 billion in 2000 to more than \$14 billion in 2006. This represents an annual growth rate of more than 13 percent, the fastest growth of any Medicare-billed service.
- Multiple independent studies have concluded as many as one of every three advanced imaging procedures paid for by Medicare is clinically inappropriate and fails to contribute to a physician’s understanding of a patient’s condition.
- Today in the U.S., Radiology Benefits Management programs cover approximately 90 million Americans in private sector and Medicaid programs. These programs have documented annual expense reductions and related improvements in clinical appropriateness of as much as 10-25 percent.
- Some imaging manufacturer advocates have contended that passive education, electronic ordering systems, and self-monitoring will fix this overutilization. However, such voluntary guidelines have been in place for nearly 15 years, during which time Medicare spending on advanced imaging services has continued double-digit annual increases.

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“The right solution to the crisis must seek to ensure every advanced imaging procedure paid for by Medicare is clinically appropriate,” Kotin said. “This requires real checks and balances, not just passive education and self-monitoring. Meaningful health care reform requires evidence-based solutions that have been proven to work.” He notes that the Congressional Budget Office estimates that RBMs will save Medicare between \$250 million and \$1 billion over the next 10 years.

Kotin also acknowledged the value of an electronic ordering system to support these ongoing efforts but cautioned that an ordering system alone is simply not enough. “Electronic ordering is a necessary piece of the puzzle but not a stand-alone solution,” Kotin said. “Relying solely on an automated computer system removes the human element from the equation and takes away the potential for a meaningful physician-to-physician dialogue in determining the best course of action for each patient,” Kotin said.

With Radiology Benefits Management, physicians are provided with real-time decision support and counsel to ensure each examination adheres to appropriateness guidelines and to connect patients with the most qualified imaging providers. The pre-procedure review process is overseen by board-certified physicians who apply the latest in evidence-based guidelines, and the majority of these requests are authorized within three to four minutes, usually before a patient even leaves the physician’s office. Requests can be processed either telephonically or through a user-friendly online system, depending on the preference of the ordering physician.

“As a radiologist, I have seen first-hand the benefits of advanced imaging technology. When used appropriately, this technology can mean the difference between life and death,” said Thomas G. Dehn, M.D., chief medical officer for National Imaging Associates and a fellow of the American College of Radiology. “Unfortunately, recent trends have shown significant increases in the inappropriate use of advanced imaging, providing limited clinical benefits, wasting our limited health care resources, and compromising patient safety.”

“Radiology Benefits Management works because it’s based upon the principle of doing the right thing for the patient,” Dehn said. “Every patient has the right to expect the right exam in the right place at the right time. This is the best way to ensure the right outcomes for each individual patient and for the future of Medicare.”

About National Imaging Associates: Headquartered in Avon, Conn., National Imaging Associates leads the radiology benefits management industry by delivering innovative solutions to effectively manage the cost and quality of diagnostic imaging. National Imaging Associates is a subsidiary of Magellan Health Services, Inc. (Nasdaq:MGLN), a leading specialty health care management organization.

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