

December 1, 2005

Dear Physician:

You are no doubt aware of the escalation in the cost of health care. The National Manufacturing Association has concluded that America's standard of living will decrease in the coming years due to the transfer of jobs overseas. One major reason cited for this job loss is the cost of health care borne by American employers. Most physicians are not aware that the fastest growing area in health care is medical imaging. Arkansas Blue Cross and Blue Shield currently pays approximately the same amount in claims for imaging as for pharmacy, and imaging costs are increasing at a much faster rate. In 2005, our members will receive one CT or MRI for every three people. In addition to the increased financial burden this places on those paying health insurance premiums, the rapid acceleration in radiological imaging is exposing patients to worrisome doses of radiation. For example, each cranial CT scan with and without contrast delivers the radiation equivalent of 200 chest X-rays, while a chest CT provides 350 chest X-ray equivalents. For these reasons, Arkansas Blue Cross and Health Advantage have entered into an agreement with National Imaging Associates, Inc., (NIA) for outpatient imaging management services.

A prior authorization program for outpatient diagnostic imaging procedures will be implemented beginning February 1, 2006. Providers will have from February 1 to May 1, 2006, to become familiar with the requirements of the program prior to the full implementation date of May 1, 2006. This correspondence serves as notice of changes to the Utilization Review Programs under your provider agreement.

Effective February 1, 2006, the prior authorization program will apply to all Arkansas Blue Cross members, including those who access the True Blue PPO network, as well as all Health Advantage members. Customers of BlueAdvantage Administrators of Arkansas can elect to add this program on a group-by-group basis, which would be indicated on the member's ID card. These services do not apply to members of the Federal Employee Program (FEP) at this time.

Under terms of the agreement, Arkansas Blue Cross, Health Advantage and BlueAdvantage will retain ultimate responsibility and control over claims adjudication and all coverage policies and procedures. NIA will manage outpatient imaging/radiology services through existing contractual relationships. Claims for imaging services will continue to be processed based upon the terms of your provider agreement(s).

**Prior authorization will be required for the following outpatient radiology procedures:**

- CT Scan
- MRI/MRA
- PET Scan
- Nuclear Cardiology

It is important to note that ...

- It is the responsibility of the ordering physician to obtain authorization from NIA prior to scheduling one of the above outpatient procedures.
- The participating imaging facility rendering the above services should verify that the necessary prior authorization has been obtained. Failure to do so may result in non-payment of your claim.
- Emergency room, observation department of a hospital and inpatient imaging procedures do not require prior authorization.

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Enclosed is a Reference Guide with more detailed information, including prior authorization instructions and frequently asked questions.

We appreciate your support and look forward to your assistance in ensuring that our members receive high quality and clinically appropriate diagnostic imaging services.

Your attention to the enclosed information is greatly appreciated, as adherence to the new policies and procedures is required to ensure appropriate processing of claims. Should you have questions, please contact your Network Development Representative.

Sincerely,



Peter M. Marvin, M.D., FCCP  
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Arkansas Blue Cross and Blue Shield



Clement W. Fox, M.D., M.B.A., FCCP  
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Enclosure