

RESOLUTION 42-15

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3 Title: Conflicts with Third Party Payers when Ordering Diagnostic Tests
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5 Introduced by: Karol Zakalik, MD, for the Oakland County Delegation
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7 Original Author: Karol Zakalik, MD
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9 Referred to: Reference Committee A
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11 House Action: **APPROVED AS AMENDED**
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14 Whereas, insurance companies often require that physicians obtain pre-
15 approval prior to ordering testing and imaging, despite the medical necessity, and
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17 Whereas, acquiring this pre-approval for the benefit of the patient is often time
18 consuming for the physician and their staff, and
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20 Whereas, this service to the patient is not a billable event, and
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22 Whereas, medical office staff members are skilled employees whose time and
23 wages represents a substantial expense to physician, and
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25 Whereas, insurance providers benefit from the use of low-cost, over-seas call
26 centers to manage their telephone calls for which small private physician's offices
27 have no counterpart, and
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29 Whereas, insurance providers benefit from the use of Peer-to-Peer review, in
30 which salaried physicians in the employ of insurers require the justification of
31 necessary medical testing, and
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33 Whereas, office staff are often required to spend hours "on hold" in order to
34 defend ordered diagnostic tests, and
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36 Whereas, the vast majority of concerns referred for Peer-to-Peer review are
37 ultimately decided in favor of the ordering physician, and
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39 Whereas, ordering physicians receive no financial benefit for defending their
40 orders against insurance providers questioning, and
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42 Whereas, insurers do receive a financial benefit to impeding the processing of
43 physician's orders, and
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45 Whereas, there exists no other alternative to the pre-approval process, except
46 prohibitive out-of-pocket expenses deferred onto the patient, and
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48 Whereas, there exists an ethical obligation on the part of the physician to assist
49 the patient in acquiring optimal care including outside testing, and

50 Whereas, doing so represents a financial hardship for the physician and places
51 the physician in an unacceptable dilemma of choosing between compromising the
52 patient's financial well-being, the physician's livelihood, and/or optimal patient care;
53 therefore be it

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55 RESOLVED: That MSMS work with insurers to minimize the amount of
56 processing time that is required of physicians and their staff related to the
57 preauthorization of tests, treatments, and procedures; and be it further

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59 RESOLVED: That MSMS advocate with third-party payers that physicians be
60 reimbursed for time spent defending orders for tests, treatments, and procedures that
61 are ultimately approved by third-party payers.

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64 WAYS AND MEANS COMMITTEE FISCAL NOTE: None