**A Formula to Determine the Financial Impact of Anthem's Imaging Policy**

The Advisory Board offers the following formula to estimate the impact of this policy change:

1. Identify the percentage of your patient base that is insured by Anthem.
2. Make separate estimates for the computed tomography (CT) and magnetic resonance imaging (MRI) volumes for your hospital outpatient imaging department.
3. Multiply your Anthem patient base (step 1) by your CT volume (step 2). Then multiply your Anthem patient base (step 1) by your MRI volume (step 2.)
4. Remove emergency department (ED) volumes for CT. About 30 percent of CT scans are for ED patients and will not be affected by this policy. Thus, multiply your CT volume from step 3 by 70 percent to estimate the CT volume that will be hit by the new policy. (MRI volumes in the ED are too low to make a meaningful difference).
5. Estimate percentage of your imaging volumes likely lost based on Anthem’s medical necessity criteria and location of closest freestanding imaging center. The Advisory Board assumes that 80-90 percent of exams will be deemed unnecessary for hospital outpatient imaging departments in non-rural areas. Multiply MRI volumes (step 3) by the estimated percentage. Multiply CT volumes (step 4) by this percentage.

Assume that 100 percent of this revenue will be lost unless your health system owns a freestanding imaging center that meets Anthem’s criteria.

1. If your health system owns a lower-priced freestanding imaging center, you may be able to shift some of the lost volume to that facility. Freestanding facilities on average are paid at about 45 percent of the hospital rate, according to a 2016 Medicare analysis. Thus, the revenue associated with shifting volume to a freestanding facility will be cut by at least half.

 *Source*: The Advisory Board. Used with permission.