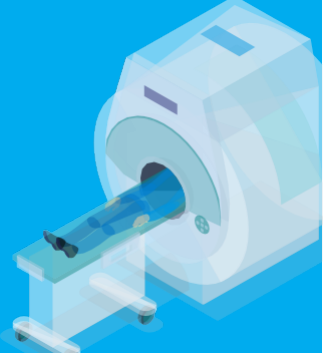
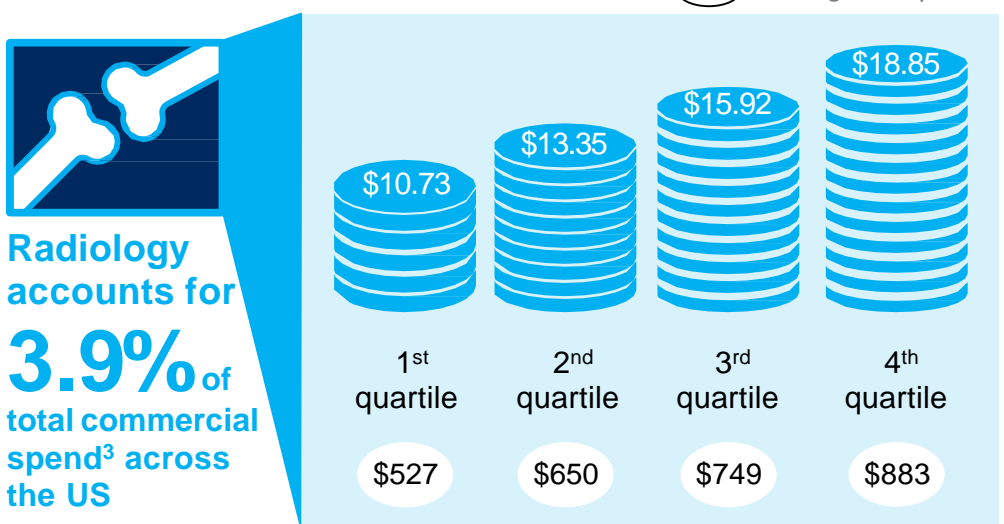


Insights on radiology spend

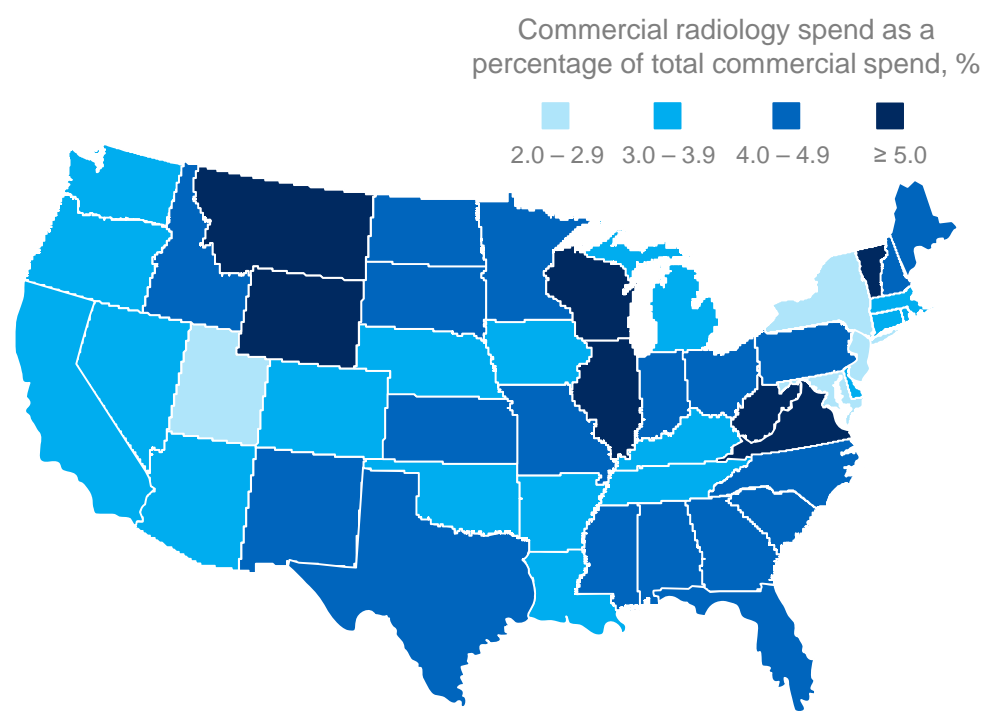


Where there is variation in spend, there is opportunity to understand how to improve efficiency and effectiveness

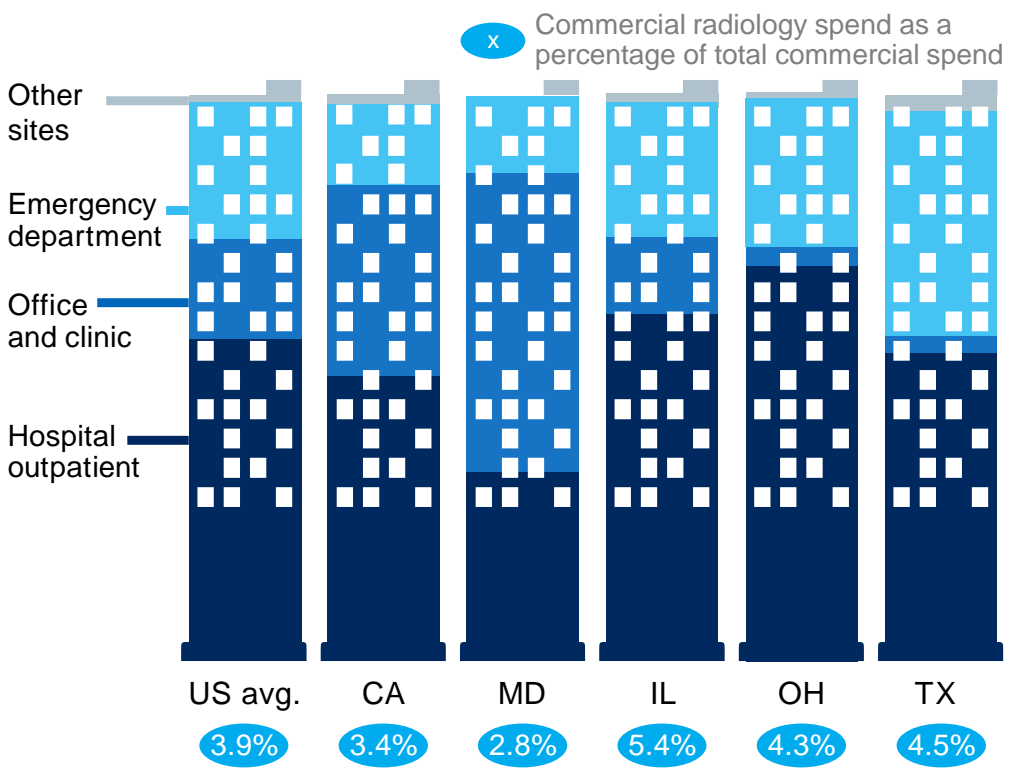
Radiology spend per patient varies significantly by state



¹ Weighted average (Per Member Per Month of commercial claim allowed amount for states within each quartile)
² Weighted average unit price of radiology procedure for states within each quartile
³ Includes spend across all commercial health-plans (i.e. individual, small-group, large-group, and self-funded plans)



Within states, commercial radiology spend varies depending on the site of care



How could payers reduce variation in spend while maintaining the standard of care?

Site of steerage levers to reduce variation

- Identify the locations of all hospital outpatient facilities, independent free-standing radiology/diagnostic centers, and physician offices with sufficient radiology equipment and capacity to take on new patients
- Use a geospatial dashboard to show the accessibility of alternative sites (e.g. drive time distance)
- Benchmark against third-party data to plan soft and hard steerage of members to alternate sites of care

SOURCE: McKinsey analysis of data obtained from: Truven Health Analytics Inc., MarketScan Commercial database 2016 data; McKinsey Clinical Concept Benchmarking

To discover more insights from McKinsey's Healthcare Analytics & Delivery, visit:

www.mckinsey.com/solutions/healthcare-analytics

