What Every DO Should Know

Before Buying a Bone Densitometer

You’ve made the decision to buy a bone densitometer. Now what do you do?

This article offers 10 sequential steps or keys for setting up a successful bone densitometry testing center. These suggestions will save you from having to learn from trial and error. They are designed to save time and expense, and improve the likelihood of your success.

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First steps

You want to purchase a bone densitometer and start your own osteoporosis testing center, but you see the $80,000-$85,000 for a top-of-the-line GE/Lunar Prodigy or Hologic QDR Discovery as a great deal of money. You realize that you can’t recover your investment by performing tests exclusively on your own patients. You need other professionals who will provide appropriate referrals.

But how many tests must you complete each day to achieve profitability and a satisfactory return on investment? How many referring physicians are required? What are the potential pitfalls of setting up a bone-testing center? Based on my experience in launching my own center in Brooklyn, Mich, I’ve discovered 10 sequential keys or steps for setting up a successful bone densitometry testing center.

1. Offer high quality

Allow yourself to be guided by the quality of your work. This is particularly important if you’re a family physician. You’ll be performing bone mineral density (BMD) tests on your own patients as well as patients who are referred to you.

By taking a bone densitometry certification course like the one offered by the International Society for Clinical Densitometry (ISCD), you’ll undergo the training to properly perform and interpret osteoporosis tests and recommend treatments. With your certified clinical densitometrist (CCD) designation in hand, no one—not even you—will question your credibility. Also insist that any technologist who performs BMD testing becomes certified.

The ISCD awards certification as a certified densitometry technician (CDT) and the American Registry of Radiologic Technologists (ARRT) as a bone densitometrist (BD). The few hours a manufacturer spends with your tech to get the equipment installed and up and running will cover basic operations, but not the delicate nuances of testing.

2. Consider branding

If you’re counting on other healthcare professionals for referrals, you’ll need a name for your facility, organization or program. This name should inform both patients and professionals that you conduct osteoporosis tests and recommend treatments. I chose the simple and straightforward Osteoporosis Testing Center of Michigan.

Once you’ve selected a name, you should have a logo designed for use on business cards, letterhead, brochures and patient reports. Keep in mind that 80% of your patients will be women. For this reason, you may want to select designs and colors that appeal to women.

3. Get a ‘doing business as’ designation

Pay a certified public accountant about $150 to register your “doing business as” (DBA) designation. A DBA is an assumed name that informs patients and professionals that you conduct osteoporosis...
testing. This inexpensive, quick strategy also makes it easier to work with insurance companies and HMOs because you do not have to obtain a separate employer identification number for billing purposes.

Keep in mind that, according to the Stark law, you are prohibited from forming a separate corporation for an osteoporosis testing center outside of your office and then referring to that corporation. For example, suppose you’re a family practitioner; Narita Jones, DO, is an obstetrician-gynecologist with an office in your professional building; and Brian Patel, DO, is a private practice endocrinologist with an office one block away. One day at lunch the three of you decide that it no longer makes sense to refer patients to a hospital for BMD testing. Why not do your own BMD testing and boost revenue?

While you know that the cost of a top-of-the-line scanner ranges from $75,000-$85,000, you calculate that each DO can manage a contribution of $27,500. You develop a plan to form an LLC (Limited Liability Corporation), rent office space, and send an X-ray tech for densitometry certification.

With this kind of set up you can bill for BMD testing on other physicians’ patients. But none of you could perform and bill for a BMD test on one of your own patients because it would constitute a violation of the Stark law. All physicians participating in Medicare or Medicaid must comply with the law as presented in the Centers for Medicare & Medicaid Services Federal Guidelines (CMS) at www.cms.hhs.gov.

4. Add up referring physicians

As a rule, it takes five or more referring physicians to run a profitable osteoporosis center. You may achieve success with fewer than five physicians depending on factors such as type of practice, practice size, patient demographics, and referral patterns. But not all physicians are equally astute in performing osteoporosis screening and ordering BMD testing.

To estimate profitability, review the recommendations found in the Medical Economics article “Buying a Densitometer: FAQs Answered” April 9, 2004, pages. 60-64, (www.memag.com).

Work to deliver more than what your referring physicians expect. Also, keep in mind that physicians typically want to make their own decisions. For this reason, it’s best not to recommend a specific pharmacological agent on your BMD reports. Instead, outline general treatment recommendations on factors such as calcium, vitamin D and exercise as well as avoiding risk factors such as smoking, excessive alcohol and caffeine.

Make sure that your scanner comes with a report-writing program, which you can customize to address your needs and recommendations. Become thoroughly familiar with the ISCD’s Official Positions for DXA scan report writing at www.iscd.org.

5. Establish and build your referral network

Remember, patients can’t refer themselves for BMD testing. Instead, they must be referred by their own physicians. Since testing is funneled through physicians, it’s important that you network and communicate with both primary care and specialty physicians who don’t perform BMD testing and who might possibly refer to you.

If these physicians become convinced that you do quality osteoporosis testing, they will refer their patients. However, you must promote your services. For example, arrange an open house and invite physicians you know well. Then, follow up with a second open house for other physicians in the area.

As physicians begin to refer their patients for BMD testing, let them know how much they appreciate their referrals— But, stop short of sending gifts. Let them know your appreciation with a sincere thank you through a phone call or a handwritten note.

Send or e-mail referring physicians a quarterly osteoporosis update, which features news on drugs, technology, prevention, screening or treatment. Also send out your testing center business cards and BMD order slips to potential and regularly referring physicians. From time to time, include a few business cards with patient reports sent to referring physicians.

Communicate as much as possible. If you find an interesting or suspicious abnormality on a patient’s test, call the referring physician to offer your opinion and insight. The referring physician will come to believe in and trust your caring attitude, clinical skill and professionalism.

Be wary of local newspaper or radio advertising. While such paid promotion may promote osteoporosis awareness, patients are unlikely to knock on your door for osteoporosis testing. Remember, patients can’t generally refer themselves for testing. Unless they opt to pay cash for a BMD test, they must go through their primary care physician to determine if a BMD test is indicated. Then the insurance must be checked to determine if their policy covers BMD testing at your facility.

As part of your overall strategic plan, prepare for competition. As your BMD testing center achieves success, other local physicians are likely to take notice. They may purchase a bone densitometer and attempt to follow in your footsteps. In doing so, they may lure away some of your referring physicians and their patients. The best way to prevent this is to deliver the highest quality testing that represents value to those who receive and pay for the testing.

6. Know who should be tested for osteoporosis

Approximately 80% of osteoporotic fractures occur in women, and up to 80% of women who experience osteoporotic fractures are postmenopausal women. Among the more common criteria for identifying individuals at greater risk for osteoporosis are the following:

- Postmenopausal (usually age 50 or over) women.
- Women who have had a bilateral oophorectomy.
- Individuals who have a family history of osteoporosis.
Individuals on oral glucocorticoid (i.e. prednisone) therapy for three months or more.
Men on GnRH agonists such as lupron® or women on lupron® without add-back hormone.
Individuals with rheumatoid arthritis on medications such as methotrexate®.
Individuals with demineralization on X-rays.
Individuals with vertebral or other non-traumatic fractures.
Individuals who are thin with a low body mass index less than 19.
Women with menarche after age 15 or menopause before age 45.
Women age 65 and older and men age 70 and older.
Individuals with poor health, frail, with impaired eyesight or balance, or prone to falling.

Be sure to ask patients about their calcium and vitamin D intake, exercise routine, smoking habit, alcohol and caffeine consumption. For additional diagnosis, testing and treatment guidelines, ICD-9-CM and CPT codes, see the National Osteoporosis Foundation at (www.nof.org) or guidelines developed by ISCD (www.iscd.org).

Medicare guidelines for performing BMD tests differ from those of other insurers. Because half of the tests you perform may be on patients over the age of 65, you must apply Medicare guidelines for ICD-9 diagnosis codes that support medical necessity.

For more information on Medicare bone mineral density coverage and medical necessity codes, see WPS Medicare Part B (www.wpsic.com/medicare/). For complete Medicare guidelines on BMD indications, limitations of coverage, medical necessity and reimbursement, go to the Centers for Medicare and Medicaid Services (CMS) Web site (www.cms.hhs.gov/manuals).

While insurers other than Medicare won't pay for osteoporosis screening in healthy patients, most will pay if the patient is at risk for or being monitored for treatment of osteoporosis. To that end, use your osteoporosis intake questionnaire to list risk factors, diseases or medications, making sure the questions cover all information needed for reimbursement. Risk factors obtained from this questionnaire should be listed on the final BMD report as reasons for performing the test. This process makes billing easier, generates a final report, documents medical necessity, and prevents insurers from ruling a BMD test "medically unnecessary" in the event of an audit.

Include the BMD test on your history and physical or complete annual review of medical problems—just as you would a mammogram or colonoscopy check. If your patient has osteoporosis or osteopenia, note this on the patient’s problem list.

7. Manage billing

Know how to bill insurance companies. Some require preauthorization, while others don't. Because a high percentage of billing moves through Medicare, learn the codes that support medical necessity. (See Review Medicare Bulletin. September 2001 for Medicare guidelines on osteoporosis).

If possible, bill an insurance company with only one primary diagnosis, while listing two or three others. Because the average patient at risk for osteoporosis has multiple risk factors, you’ll want to list several on the billing sheet. This may prevent having to deal with rejections and rebilling. For example: Estrogen deficiency (menopause); osteoporosis or osteopenia; vertebral fracture; long-term corticosteroid therapy; or monitoring response to osteoporosis therapy.

8. Know reimbursement policies

Develop a file on the requirements and idiosyncrasies of each insurance company. There are no universal rules for reimbursement. Insurance companies and HMOs do not necessarily follow the NOF, ISCD, or Medicare guidelines. Each sets its own standards for initial testing, retesting and payment. For example, after a patient is placed on an FDA approved medication for osteoporosis, one HMO may pay for a recheck BMD test in one year, whereas another, only after two years.

The average Medicare reimbursement rate for a hip and spine DXA scan (76075) is approximately $158, reflecting a professional fee of $17 and a technical fee of $141. Reimbursement for a peripheral DXA (76076) is approximately $45, reflecting a professional fee of $10 and a technical fee of $30. Reimbursement for a peripheral ultrasound (76977) is approximately $42, reflecting a professional fee of $4 and a technical fee of $38.

Know and use the acceptable diagnosis ICD-9 codes for Medicare reimbursement. For a complete list of CPT and ICD-9 codes, go to www.nof.org. For reimbursement rates in your area, go to www.gemedical.com.

As of January 2005, Medicare began paying for a vertebral fracture assessment (VFA). The VFA is a DXA lateral thoracic-lumbar spine examination for vertebral fractures—Typically, it is performed at the time of a BMD study. The billing code number is 76077 and Medicare payment is approximately $47.

The ISCD (www.iscd.org) indications for vertebral fracture assessment by DXA include patients who have:

- Lost 1.5 inches or more in height by 50+ years of age.
- Back pain (suspicious for vertebral fracture).
- Known vertebral fractures.
- Kyphosis.
- Women or men 65 years of age and older at the time of BMD.

9. Follow-up on tests

Just as well-managed practices recall patients for annual physicals, pap smears and mammograms, they need a strong recall system for osteoporosis testing. Mammograms and BMD tests are similar in providing sequential patient follow-up. Just as you recall patients at risk for breast cancer for mammograms, you recall individuals who have or who are at risk for osteoporosis. To that end, follow these recommendations:
Recall patients who are diagnosed with osteopenia or osteoporosis so you can follow up and monitor their progress.

Know each insurance company’s requirements for retesting. For example, Medicare may cover an annual BMD study for two consecutive years and thereafter every two years for an individual being monitored to assess their response to an FDA-approved osteoporosis drug therapy.

Build a “tickler” recall file. Include recalls for qualified patients in one, two or three or more years. Even without computer software, you can manage recalls using 3-inch by 5-inch file cards. For example, Ms Smith’s October 2005 BMD exam demonstrated osteopenia with an L1-L4 vertebral T-score of -2.6 and she was placed on a FDA approved medication to treat her osteoporosis.

Place Ms Smith’s card in the recall file for a retest in October 2006. At that time your technician should send the patient a notice instructing her to call your osteoporosis testing center for a recheck BMD test. If the patient hasn’t responded after one month, follow up with a second notice. If you’ve received no response in three months, have your technician call the patient. This works well for your own patients.

Connect with referred patients. The best approach in retesting referred patients is sending a note to the referring physician’s office. Some physicians want to decide on their own if patients need retesting.

Follow up with patients who require pharmacologic treatment. While treatment guidelines with pharmacological medications typically aren’t fixed in stone, some general guidelines include the following:

—Women with BMD T-scores below -2.0 in the absence of osteoporosis risk factors.
—Women with BMD T-scores below -1.5 if other risk factors are present.
—Some patients (i.e. those over 70 with multiple factors) are sufficiently high risk for osteoporosis that treatment is warranted without BMD testing.

10. Promote osteoporosis awareness

Get the word out—Hand out osteoporosis information with details on your center to every patient you test. Include the center’s logo, name, phone number, e-mail, and Web site, as well as general information on osteoporosis diagnosis, prevention and treatment.

Share the knowledge—Become a crusader who educates other physicians and patients about osteoporosis. Help communicate the message that osteoporosis is preventable and treatable, and that more people die each year from the consequences of osteoporosis (65,000) than breast cancer (46,000) or traffic accidents (50,000).

Work the media—Conduct programs or do radio or television interviews—especially during May, which is National Osteoporosis Month. Also consider writing articles for local publications, delivering presentations for pharmaceutical companies, and speaking to consumer and professional groups.

Other considerations

Protect your equipment—Central DXA, which is also known as the axial skeleton (i.e. hips, spine) DXA tabletop densitometer, is manufactured by GE/Lunar (www.gemedical.com), Hologic (www.hologic.com) and Norland (www.norland.com). Once the first-year warranty has expired, you will have to decide whether or not to pay for an equipment protection plan. Find out the cost and duration of this plan. These plans vary in coverage and a top-of-the-line plan can be a hefty amount to pay yearly. On the other hand, repairs to the BMD scanner can also be quite expensive.

Think ahead—New systems are under development. For example, because a bilateral hip (dual-femur) study is becoming state-of-the-art, you may want to rule out a scanner that performs a one hip study. Can the system you purchase do a forearm, VFA, or total body analysis? Will you receive state-of-the-art software updates? As with computers, what you buy today may not be state of the art in two or three years. The best systems can be upgraded.

Get approved—Because DXA falls within the category of X-ray, a BMD scanner must be approved by the state. This requires a telephone call, a small fee and a simple inspection check.

Seek out back-up—A high-tech BMD scanner with its own electrical circuit may require a $2,000 surge-protector battery back-up—especially if your area is known for voltage drops, surges or power outages. You may also want to invest in a 17-inch to 19-inch flat screen monitor and a faster, color laser printer.

Look for space—Be sure you have room for the densitometer. The typical scanner table measures 3 feet by 8 feet, while a technician must stand 3 feet from the X-ray source to protect against radiation exposure. The smallest room must be at least 8 feet by 8 feet, while 8 feet by 12 feet is closer to the preferred size. Plan for extra space if you want a changing area for patients.

Move slowly—Because the majority of smaller practices perform fewer than 10 scans per day, you may want to address basic requirements initially and add features as your practice becomes more successful. 