



# Supplemental Medical Directors

A modern solution for the review process

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For years, the number of practicing physicians in the U.S. has not maintained pace with the rising demand for medical services. This trend has created a physician shortage, with consequences extending far beyond the doctor's office to essential workflows throughout the American healthcare system, including the medical review process.

The Association of American Medical Colleges estimates a shortfall of up to 120,000 licensed doctors by 2030, across primary care and specialties like surgery, mainly due to a growing and aging population. The currently constrained supply of providers has, in turn, spurred wide-ranging reconsiderations of how to train more medical students, streamline care delivery and enhance medical case review processing, the latter by partnering with independent review organizations (IROs) such as Advanced Medical Reviews (AMR).

# The Pivotal Role of Medical Directors in Today's Review Landscape

Established IROs can provide the expertise, extra quality assurance and impartiality that health plans need when navigating the often-challenging circumstances surrounding reviews today. The ongoing physician shortage is just one piece of the puzzle; payers must also regularly overcome challenges including:

## Managing tight turnaround times

It is relatively common for reviews to arrive on a Friday afternoon with a requirement they be turned around in only 24 hours, or by the

following Monday. These timetables are often challenging for payers, who could likely handle them with longer timelines, but face logistical challenges in finding qualified reviewers and connecting them with all pertinent documents on short notice.

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Amanda Marfise, VP of Strategic Partnerships

As an IRO with 24/7 availability, AMR can supply the needed physicians to meet any turnaround time. Amanda Marfise, VP of Strategic Partnerships at AMR, explains, "The reliability and consistency that health plans gain from working with AMR ensures health plans do not have to scramble to meet deadlines or divert doctors from other important tasks. Moreover, our nationwide network of physicians across all specialties and sub-specialties allows us to move resources where and when they are needed to satisfy the turnaround times of our clients. Doctors have extremely busy schedules, so it's essential to be able to tap into a vast network from which you can pull appropriate physicians when you need them."

Fluctuating schedules or uncommon specialty needs no longer have to be obstacles to completing reviews on time. Even with the physician shortage predicted to last for years, payers can consistently keep up with the constant flow of cases requiring careful, unbiased evaluation.

## Finding a sustainable framework for evidence-based reviews

The costs of hiring and supporting full-time physicians for case review are considerable, especially given the current limited supply of physicians:

- Recruiting just one new physician can cost between \$250,000 to \$1 million depending on rank and specialty, according to a presentation given at the American Conference on Physician Health.
- The physician shortage raises these costs while also placing excessive pressure on a plan's current staff. More than 40 percent of physicians surveyed by Medscape in 2018 reported feeling burned out. Burnout itself is highly correlated with turnover, creating a costly cycle of overworked staff and expensive replacement efforts.
- Between 1994 and 2014, physicians in administrative and management positions reported some of the biggest drops in time spent on direct patient care. Desk work,

meetings and EHR management continue to consume more of their time, leaving less bandwidth for timely, careful review processing.


Outsourcing reviews to an IRO alleviates the burden of maintaining numerous staffed physicians. Payers can better navigate the shortage, more quickly turn reviews around and boost confidence that every case receives the attention it deserves.

## Complying with state-level regulations

Laws governing the external review process vary by state. In some jurisdictions, the reviewer must be licensed to practice in that state and also belong to the same specialty (e.g., cardiology) as the physician who rendered the original decision.

Such rules are generally well-intentioned but can create some additional complications. For example, if a review is legally required to be conducted by a urologist practicing in the same small state as the providing physician, there is a chance that they have a professional relationship that would constitute a conflict of interest.

Accordingly, it is always recommended to collaborate with an IRO for full independence via third-party review. The supplemental medical directors who conduct reviews on behalf of AMR are not incentivized to side with any specific party during a given review. Instead, they offer unbiased reviews that are consistent and evidence-based, taking into account applicable regulations, timetables and other details of the case.



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# Supplemental Medical Directors and IROs as Future-Proofing Measures for Payers

In addition to addressing many of the challenges payers now face stemming from the physician shortage, the variability and volatility of insurance regulations and the climbing demand for healthcare services, IROs also provide long-term benefits in controlling costs and staying ahead of the technological curve. By working with AMR, health plans gain access to both a consistent, cost-effective review service and a portal uniquely suited for the modern review process.

## Service

Outsourcing medical review volume to an IRO not only reduces the sheer on-staff manpower needed for proper due diligence, it also helps control costs. In-house case review often fuels significant administrative overhead. A McKesson report found that 90 percent of all prior authorizations require phone or fax communications and that these interactions cost payers \$50 to \$100 apiece. CoverMyMeds has estimated there are 300 million such authorization requests every year just for prescription drugs. While some costs are unavoidable, using an IRO like AMR for peer reviews ensures that dollars spent aren't on internal overhead and administration.

Working with an IRO helps payers scale their operations. At the same time, it helps them reduce the negative effects on care outcomes



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Dan Perlow, VP of Strategic Partnerships

associated with administrative delays, as documented in a 2018 American Medical Association physician survey.

As Dan Perlow, VP of Strategic Partnerships at AMR adds, “Turning to IROs is one method among many for bending the cost curve while boosting quality assurance through supplementation of internal resources. More review outsourcing means less managerial overhead, thanks to a robust network of appropriate physicians to handle a broad spectrum of review possibilities. And the greater the volume of reviews, the more cost-effective the partnership becomes.”

## Technology

AMR has always been on the technological frontier of the medical review field. Its proprietary portal is specifically designed to capture the optimal amounts and type of data for informing the

evaluation of every reviewed case while reducing administrative burdens and costs. Reporting is streamlined, making it ideal for the common circumstances outlined above.

Looking ahead, AMR’s explorations of other technologies relevant to healthcare, including blockchain, should enable further improvements to the medical review process. A combination of service and technology from an IRO can transform how payers handle reviews at scale, both today and tomorrow.

**To learn more about how IROs set up health plans for sustainable operations, visit the “Our Advantage” page on our website or contact us directly.**



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(800) 726-1207

Advanced Medical Reviews, LLC  
600 Corporate Pointe, Suite 300  
Culver City, CA 90230