Time-Driven Activity-Based Costing as a Method for Estimating the Practice-Level and National Cost Burden of Treatment-Related Prior Authorization for Academic Radiation Oncology Practices

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Background

Prior authorization (PA) imposes a significant time burden on all medical practices.¹

Recently published data demonstrate that radiation oncology is first among all medical specialties with highest PA burden.²

To date, the financial burden of PA has not been characterized.

Methods

Internal Surveys & Interviews

Published Compensation Data
(MGMA³, Salary.com⁴, GME)

TDABC Process Maps
PA Event Cost
Σ (Compensation/Min x Min/Event)
Annual PA Cost
Σ (Compensation x %Workday for PA)

2017 ASTRO Workforce Study
2018 ASTRO PA Survey

Published Compensation Data
(MGMA³)

Annual PA Cost
Σ (Compensation x %Workday for PA)

³2020 MGMA DataDive Academic Compensation, based on 2019 data. Used with permission from MGMA. Copyright 2020. https://www.mgma.com/data
Significant time and cost burdens for all PA events.

Phone conversations increased time and cost requirements significantly.

On average, more time was required for scheduling than performance of peer-to-peer discussions.
Departmental Estimates

Attending % Workday for PA: 8.3%

PA requests for treatment approval: 87%

Overall PA approval rate: 94%

Annual PA cost: $565,505

Treatment-related: $491,989

Approved treatments: $463,027

2017 ASTRO Workforce Survey

1434 Academic/University Radiation Oncologists

46 min/day for PA

% Workday for PA: 7.5%

Overall PA approval rate: 86%

Annual PA Cost: $46,121,665

Treatment-Related*: $40,125,848

Approved Treatments: $34,632,620

2018 ASTRO PA Survey
Conclusions

PA burdens are significant and translate into massive organizational costs annually.

National estimates highlight the tremendous cost of PA to academic radiation oncology practices, with most costs related to approved treatments.

Physician and staff time are finite resources which should be directed towards clinically meaningful activities.
Conclusions

Improving PA processes

• Decreased reliance on phone communication
• Streamlined workflows with optimized staff roles

Reforming PA

• Improved communication and mechanisms for real-time approval
• H.R.3173: Improving Seniors’ Timely Access to Care Act of 2021