Report: Cost Savings Data Lacking on Prior Authorization for Medical Imaging

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By Sara Michael [1]

Prior authorization programs to control medical imaging utilization could wind up costing the government money and increase administrative burden, according to a review by The Moran Company released this week by the Access to Medical Imaging Coalition.

“The analysis confirms that a prior authorization policy for the Medicare program would not achieve any real cost savings,” said Tim Trysla, executive director of AMIC. “Contrary to outdated budget estimates being used by some members of Congress, a prior authorization program would end up costing the government more than it saves and would simply delay patient care and impose administrative burdens and increased costs on physician practices.” Analysts reviewed the cost savings of various proposed imaging policies, prior authorization and decision support tools. Analysts were unable to find any peer-reviewed literature that evaluated the cost effectiveness of prior authorization on inpatient services, and data on authorization for imaging services was “similarly thin,” according to the report. Further, HHS has previously raised concerns about the administrative burden on prior authorization and the lack of data on the success of radiology benefit managers. It would be difficult to structure such a program in a way that reaps significant savings, the analysts found, adding, “Indeed, it is possible that the returns from prior authorization may be meaningfully smaller than the operating costs of conducting these programs.”

“The Moran analysis confirms that policymakers should be looking elsewhere for cost savings,” Trysla said. “The adoption of physician-developed appropriateness criteria and the use of decision support tools promote cooperation among physicians and are far more effective approaches to ensuring that patients receive the right scan at the right time.”

In the review of decision support tools, the report noted that decision support tools have been shown to reduce the volume of imaging services, but their use isn’t widespread. The Congressional Budget Office hasn’t reviewed proposals for decision support tools, the report stated. Policymakers should instead consider programs that reduce pay for providers with aberrant ordering patterns, according to the report.

Trysla said in an interview that this report is an independent look at the research showing evidence-based tools have an effect on lowering imaging costs. Instead of relying on prior authorization, image ordering should be based on established appropriateness guidelines, he said. “It’s where the discussion should be rather than the broad-based cuts” in imaging services, he said. “We hope they won’t look toward prior authorization as a way to cut reimbursement to advanced imaging.”

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