



2016 CANCER CENTER BUSINESS SUMMIT



**Oncology Care
Transformation:
What's Working and
What Lies Ahead**



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Oncology Care Transformation: What's Working and What Lies Ahead



Alternative Payment Models in Oncology: From the Provider Perspective

Ronald Barkley, CCBD Group

Lindsay Conway, Advisory Board Company

Leonard Kalman, MD, Miami Cancer
Institute

Barry Russo, Center for Cancer & Blood
Disorders

Lee Schwartzberg, MD, West Cancer Center

Value-Based Oncology Alternative Payment Models



*Key Features: Pathways Compliance; Care Management; End-of-life Planning

Alternative Payment Models in Oncology: From the Provider Perspective

Presentation Format

- Each panelist will briefly describe their experience with alternative payment models
- A couple “challenge” questions for panelist response
- Open forum: audience Q&A

Barry Russo, CEO

Center for Blood & Cancer Disorders, Ft. Worth, TX

- United Healthcare episodes (original and Phase 2)
- COME HOME oncology medical home
- Aetna Oncology medical home
- CMMI-OCM applicant

Lee Schwartzberg, MD, Medical Director West Cancer Center, Memphis, TN

- United Healthcare episodes (original and Phase 2)
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Leonard Kalman, MD, Deputy Director Miami Cancer Institute, Miami, FL

- Oncology-Specific ACO, Florida Blue
- Oncology-Specific ACO, Avmed Health Plans

Oncology-Specific ACO – Why?

- Did not believe that “episode” payments or “bundled payments” would be widely applicable
- Did believe that oncology practice “re-engineering” was the key to “payment reform”/increasing the “value” equation
- Did not believe that “shared savings” programs were sustainable long term
- Was willing to “re-engineer” and “share savings” initially, with the long term goal of “population management” of a cancer population

Oncology-Specific ACO – What?

- A specific attributed population
 - 6 common cancer types
 - 3 or more E and M services
- Responsible for “total cost of care”
 - very few “outlier” DRG’s; high dollar cap
 - no “severity” adjustments
- Baseline year set “per member per year” cost
- Compared “year to year”
 - Medical CPI adjustment
- Paid fee for service
- Shared savings (if quality metrics met)

Oncology-Specific ACO – “Follow the money”

- The cancer population spend
 - Chemotherapy and chemotherapy administration 25-30%
 - Inpatient days 25-30%
 - Surgery and anesthesia 15%
 - Radiation therapy 8-10%
 - High tech imaging 8-10%
 - Other (E and M; retail pharmacy; lab/pathology; emergency room visits, DME) 5-10%

Oncology-Specific ACO – “5 Levers of Care”

- Strict adherence to evidence-based chemotherapy regimen pathways
- Admission avoidance measures
 - early introduction of palliative care in the OP setting
 - OP office-based “triage” APP’s
 - IP oncology FTE’s to “rush” to the ER
- Reduce length of stay
 - IP oncology hospitalists and APP’s
- Manage high cost procedures
 - RT plan pathways
 - Imaging pathways
- Highly navigated/coordinated care

Oncology-Specific ACO – Results

- Year 1, 237 patients, total spend \$25,628,139
 - savings \$83,902
- Year 2, 250 patients, total spend \$26,201,245
 - savings \$558,801
- Year 3, 260 patients, total spend \$23,446,368
 - savings \$2,364,751
- Year 4 ,(259) patients, total spend (pending)
 - savings (\$1,273,470)

Lindsay Conway, Practice Manager
Oncology Roundtable-Advisory Board Company
Washington, DC

National perspective: What are Oncology Roundtable member organizations experiencing with oncology alternative payment?

Panel Question 1

- What exactly is the problem with oncology/cancer care services that oncology alternative payment is supposed to fix? Is the fix actually working?

Panel Question 2

- Are hospitals important in oncology payment reform?
- Are other cancer providers important in oncology payment reform? (for example: hospitalists, surgeons, anesthesiologists, radiologists, pathologists, consultants such as pulmonologists and infectious disease specialists)
- Can you think of other providers who may be important to oncology payment reform in the future? (for example: post sub-acute care providers?)

Panel Question 3

- Are Payors the only customer for oncology alternative payment or are organizations like integrated delivery systems, ACOs or self-funded employers viable candidates for oncology alternative payment offerings?

Alternative Payment Models in Oncology: From the Provider Perspective Questions?

Thank You for Your Interest

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