



2016 CANCER CENTER BUSINESS SUMMIT

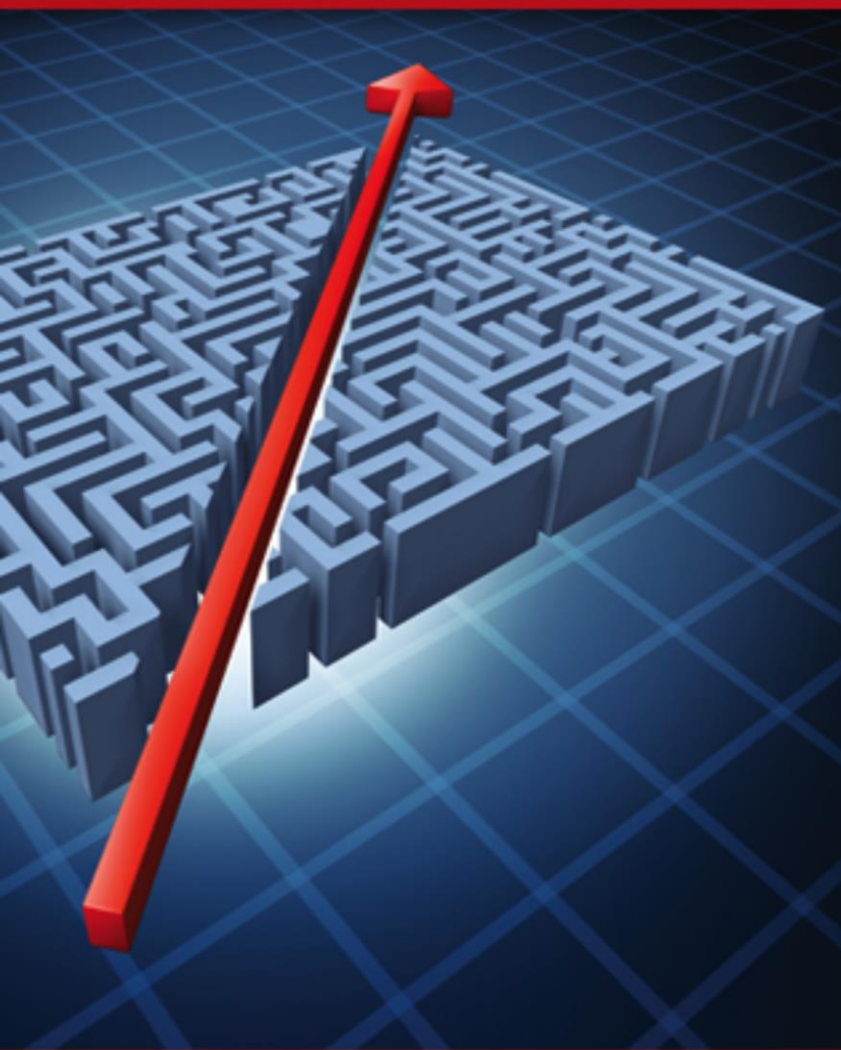


**Oncology Care
Transformation:
What's Working and
What Lies Ahead**



2016 CANCER CENTER BUSINESS SUMMIT

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



To Bundle or Not to Bundle?

Ronald Barkley, CCBD Group

Mark Krasna, MD, Meridian Cancer Care

Constantine Mantz, MD, 21st Century
Oncology

Joseph O' Hara, Horizon Blue Cross

Lee Newcomer, MD, United Healthcare

Mark Sobczak, MD, Fox Chase Cancer Center

Larry Strieff, MD, Hill Physicians Medical
Group

A Definition

- Think of a “bundled price” as a pre-determined payment for furnishing a specific treatment or procedure or for treating a clinically defined episode of care over a specified period of time
- A bundled rate can be the sole source of payment for rendering a service (prospective bundle) or can be reconciled after rendering the service, typically against a fee-for-service comparison (retrospective bundle)

To Bundle or Not to Bundle?

Presentation Format

- Each panelist briefly describes their experience with oncology bundled payment
- A couple “challenge” questions for panel response
- Open forum: audience Q&A

Constantine Mantz, MD, Chief Medical Officer

21st Century Oncology

- Multiple active bundled payment agreements for radiotherapy since 2012
- Inclusive of all radiotherapy services for nearly all (98%) cases referred for treatment
- Goals and outcomes
 - reduce administrative costs
 - decouple clinical decision making from reimbursement
 - permit latitude for physician to exercise full clinical judgment on prescribing a course of care
 - improve patient satisfaction with insurance product

Mark Krasna, MD, Corporate Medical Director

Meridian Cancer Care

- Proposal to develop complete episode of care Bundles for regionally advanced non metastatic
- Starting w/ lung, breast, colon
- Include multimodality therapy
- Adherence to guidelines
- Outcomes include-timeliness; reduced er/inpt adm
- Greatest Challenge: Define beginning and end of episode

Joseph O'Hara, Director Marketplace Innovations

Horizon Blue Cross Blue Shield of NJ

- Episodes of Care (EOC)
- Obstetrics, cardiac, orthopedics, gastrointestinal
- Cancer: adjuvant breast, lung, colon
 - Tx and Post Tx
- Total cost of care vs. condition specific encounters
- Using shared data to stratify patients

Mark Sobczak, MD, Chief Network Officer & SVP Fox Chase Cancer Center

- Kidney cancer surgery

Lee Newcomer, MD, MHA, Senior Vice President United Healthcare



Two Methods for Performance Payments

Episodes

- Gain sharing
- Medical oncology only
- Stratification by tumor stage
- Analytic burden on payer
- Comparison group required

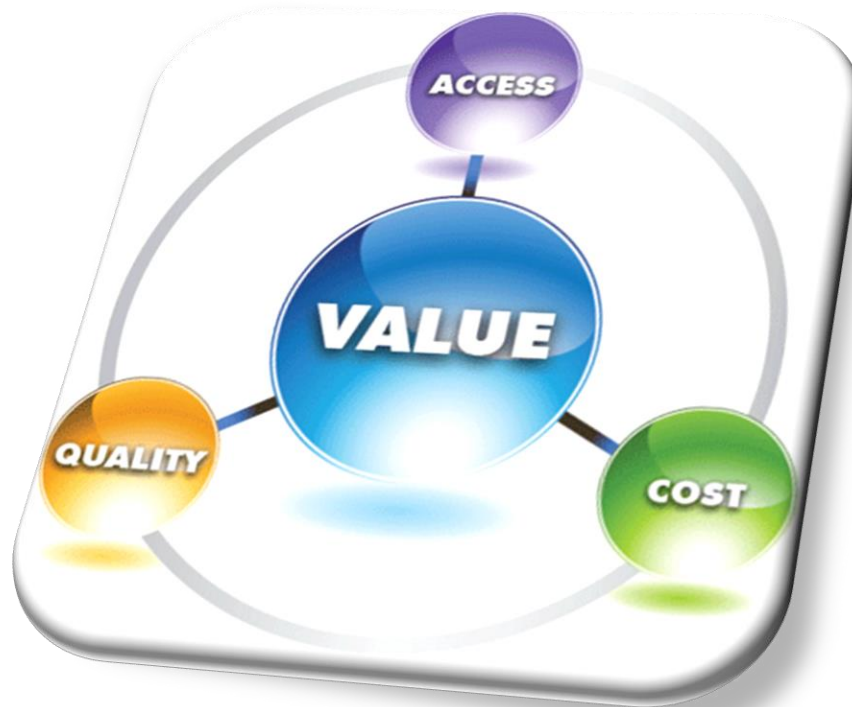
Bundles

- Complete risk
- Multi-disciplinary
- Stratification by treatment strategy
- Analytic burden on provider
- No comparison group required

**Larry Strieff, MD, Specialty Medical Director
Hematology Oncology Division Chief
Hill Physicians Medical Group**

Oncology Case Rate (OCR)

Bundle Payment System: **Five Year Program Results**

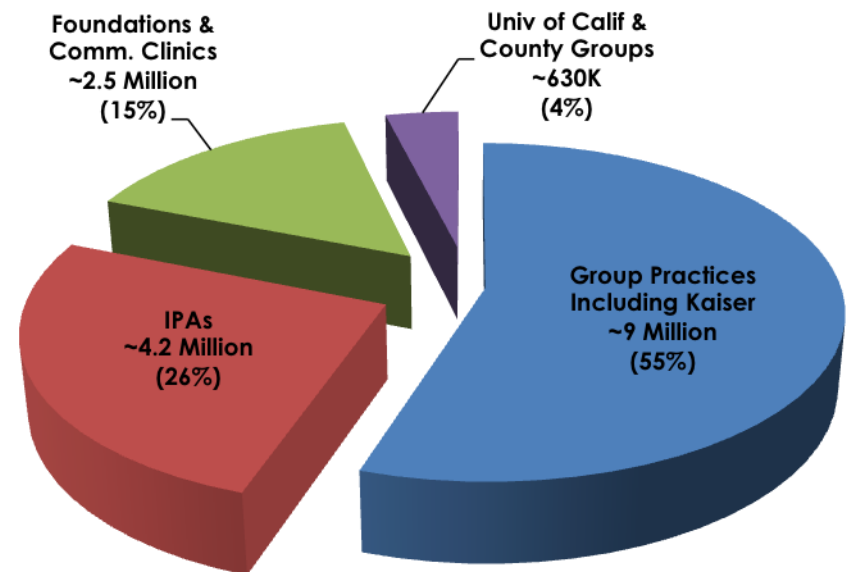


Hill Physicians Medical Group

- ❖ Independent Physician Association founded in 1984
- ❖ Provider network: 3,800 providers and consultants
 - 980 Primary Care
 - 2,260 Specialists (**170 Oncologists**)
- ❖ Service the Northern California area
 - 300,000 Members
 - 5 Regions - 9 Counties



California Marketplace – 2014 HMO Enrollment



Necessary Goals

- ❖ Respond to financial pressures to moderate the cancer care cost trend
- ❖ Improve the quality of care
- ❖ Align our oncologists' incentives with organization's initiatives

The Model

Two Linked Modules - Act as Checks & Balances

Case Rate Payments

Cancer dx are grouped

Paid monthly

Providers bear some risk

Stop loss program protects
providers

**CALCULATED TO BE
EQUIVALENT TO 100% FFS**



Quality Management Program

Clinical Quality

Patient Experience

Utilization

**OPPORTUNITY FOR
ADDITIONAL 10% INCENTIVE**

Part I: Case Rates

Case Rates - Description

Case rates have different values for different cancer diagnosis groups

Paid monthly

Providers bear some **risk**

Stop loss program protects providers



- ❖ All cancers grouped into diagnosis groupings
- ❖ *in situ* excluded
- ❖ Includes all services provided to patient in MD office except imaging & rad tx
- ❖ Prospective, once case begins
- ❖ At risk when costs exceed cumulative case rate but not yet at stop-loss
- ❖ Providers paid case rates AND reduced FFS after reaching stop loss

CALCULATED TO BE EQUIVALENT TO 100% FFS

Part II - QMP

QMP Domains	Description
Clinical Quality	❖ Subset (25 - 30) of ASCO QOPI core measures
Patient Experience	❖ CG-CAPHS ❖ Internally developed referring PCP satisfaction survey
Utilization	❖ IP bed days ❖ ED visits ❖ Infusion Center Use ❖ Chemo Initiation
OPPORTUNITY FOR ADDITIONAL 10% INCENTIVE	❖ These are NEW dollars that previously were not available to the oncologists

So, What We Developed & Implemented....

Case Rate = An APM (Alternate Payment Model)

Cancer dx are grouped

Paid monthly

Providers bear some risk

Stop loss program protects providers

**CALCULATED TO BE
EQUIVALENT TO 100% FFS**



QMP = VBP4P (Value Based Pay-for- Performance Program)

Clinical Quality

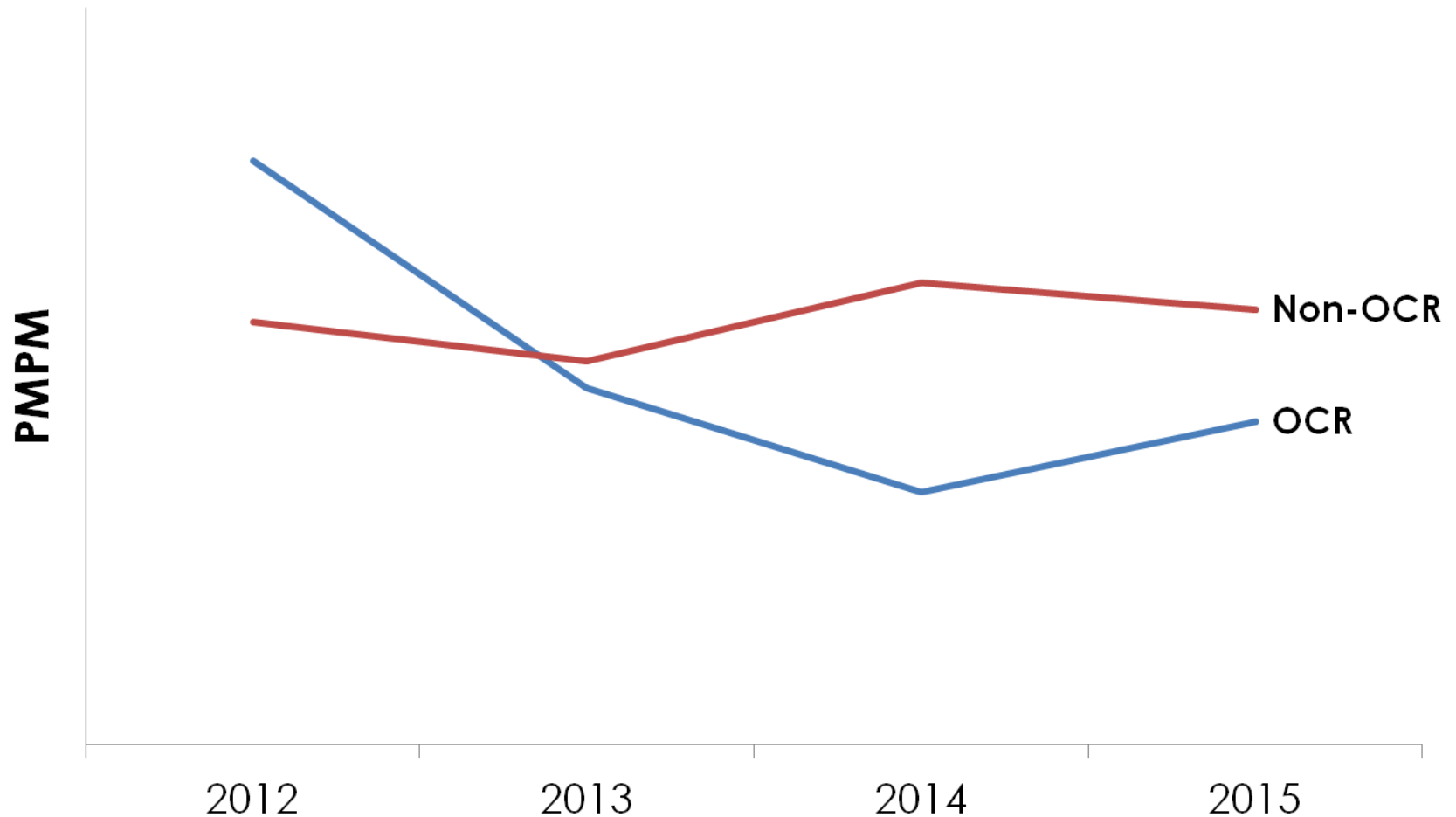
Patient Experience

Utilization

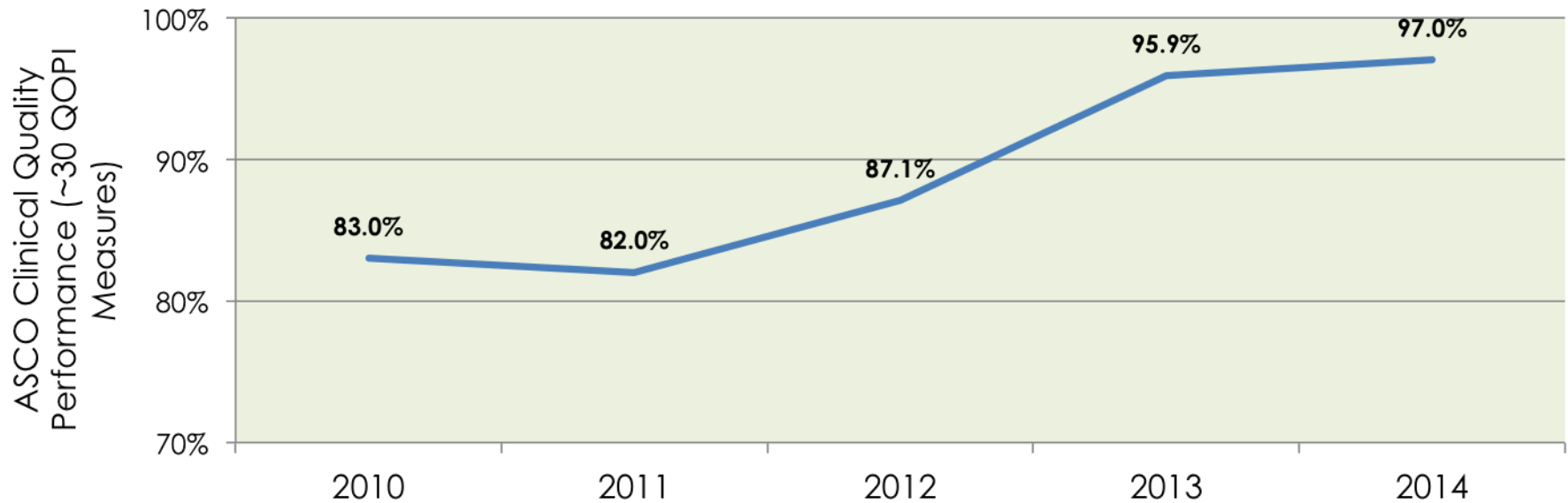
**OPPORTUNITY FOR
ADDITIONAL 10% INCENTIVE**

Outpatient Total Oncology PMPM Trend

OCR vs. Non-OCR Practices (Control)



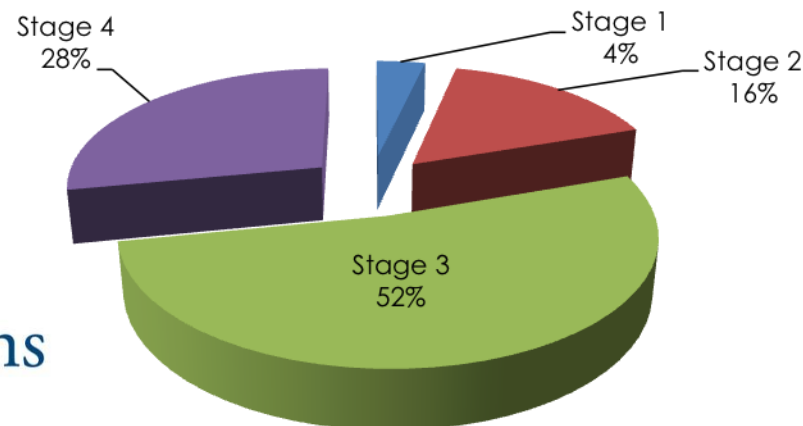
Clinical Quality of Care – OCR Performance



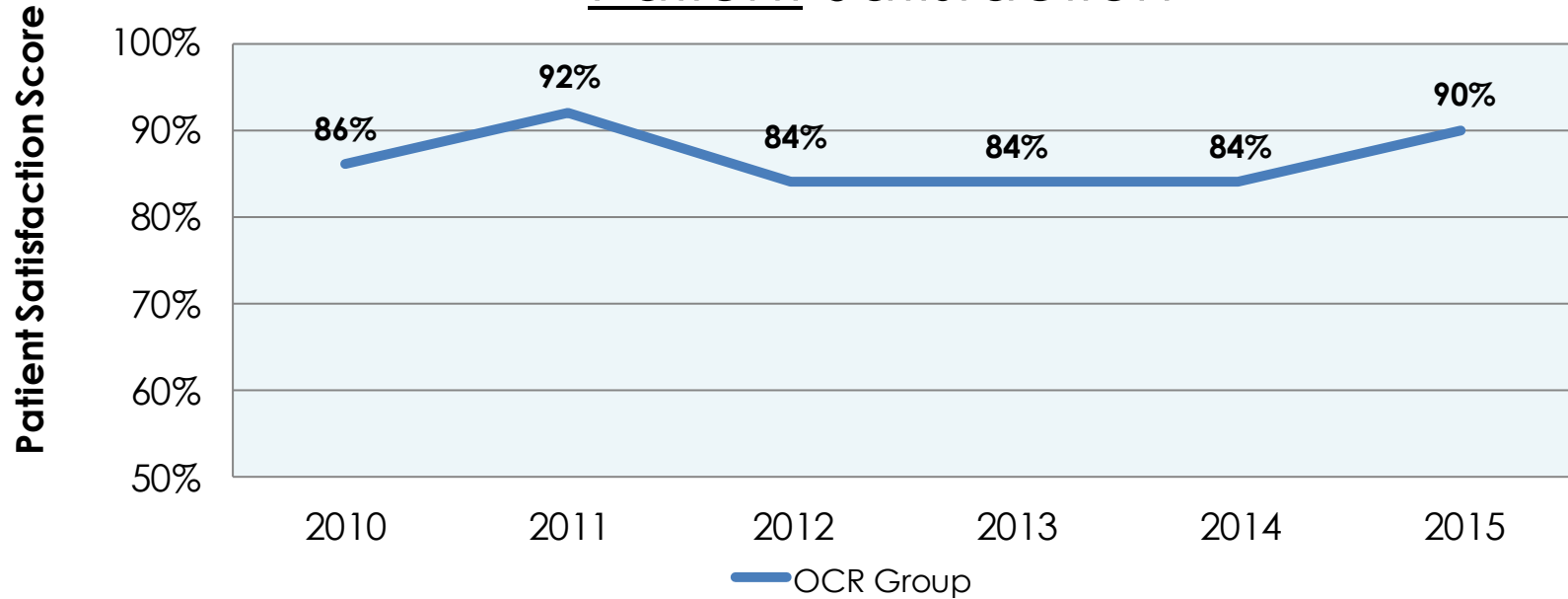
Adherence to NCCN Guidelines

❖ **96% pathway adherence** based on cancer stage observed in treatment of colon cancer patients

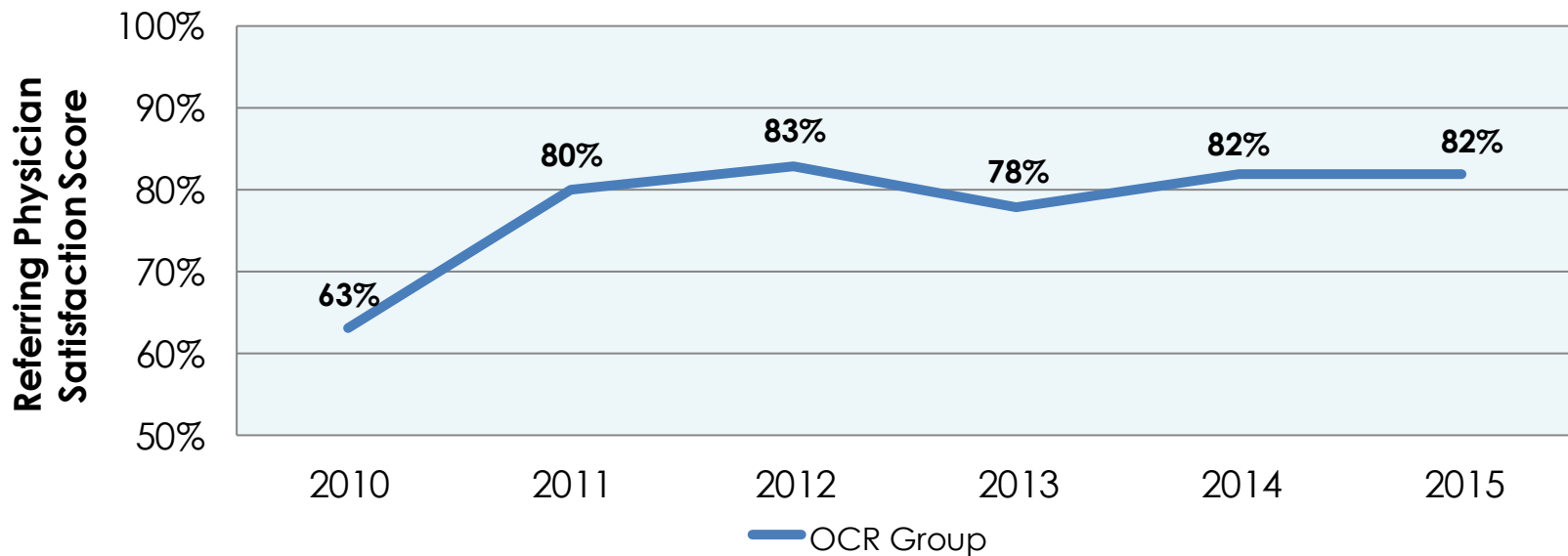
% of Patients - Stage Breakdown



Patient Satisfaction

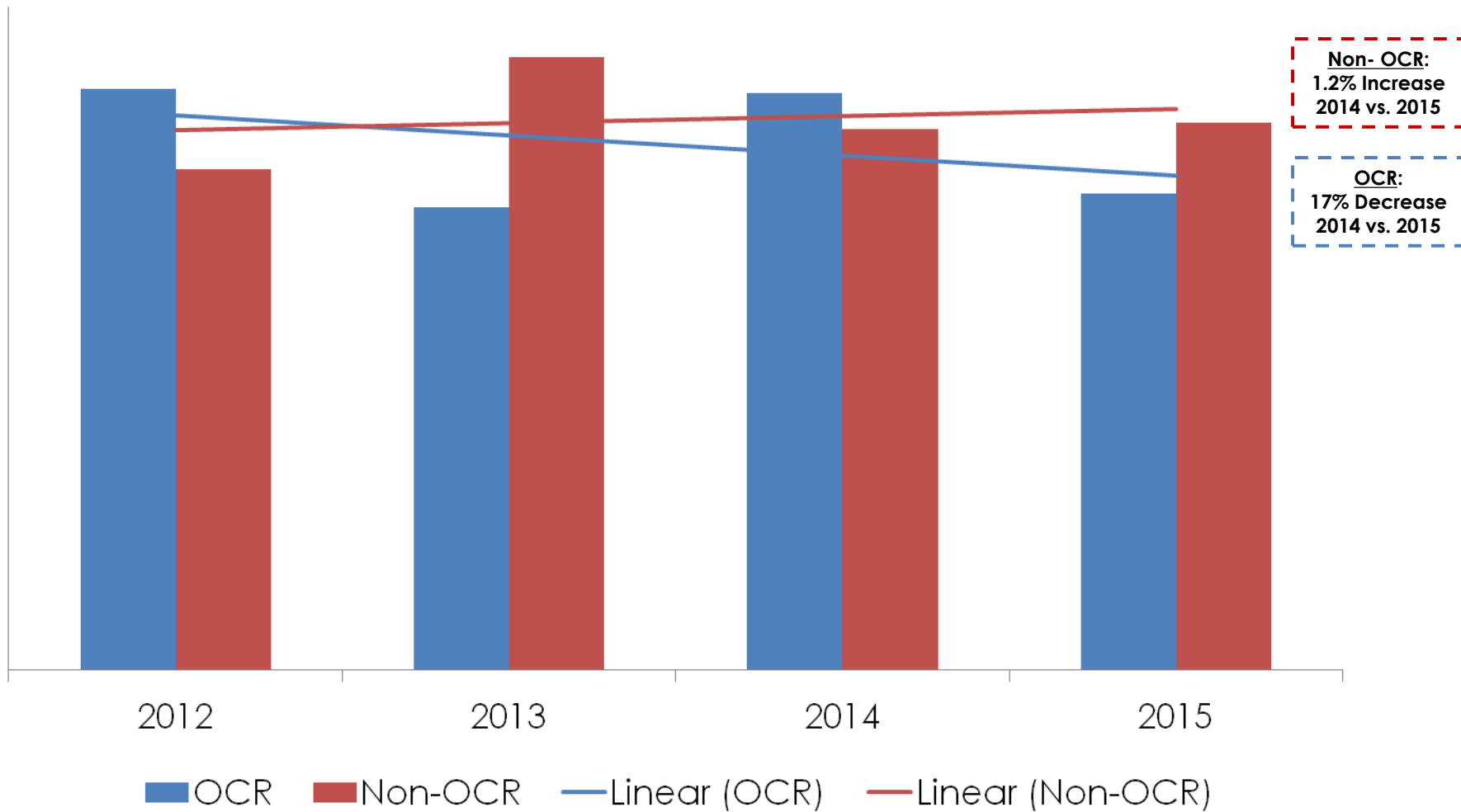


Referring Physician Satisfaction



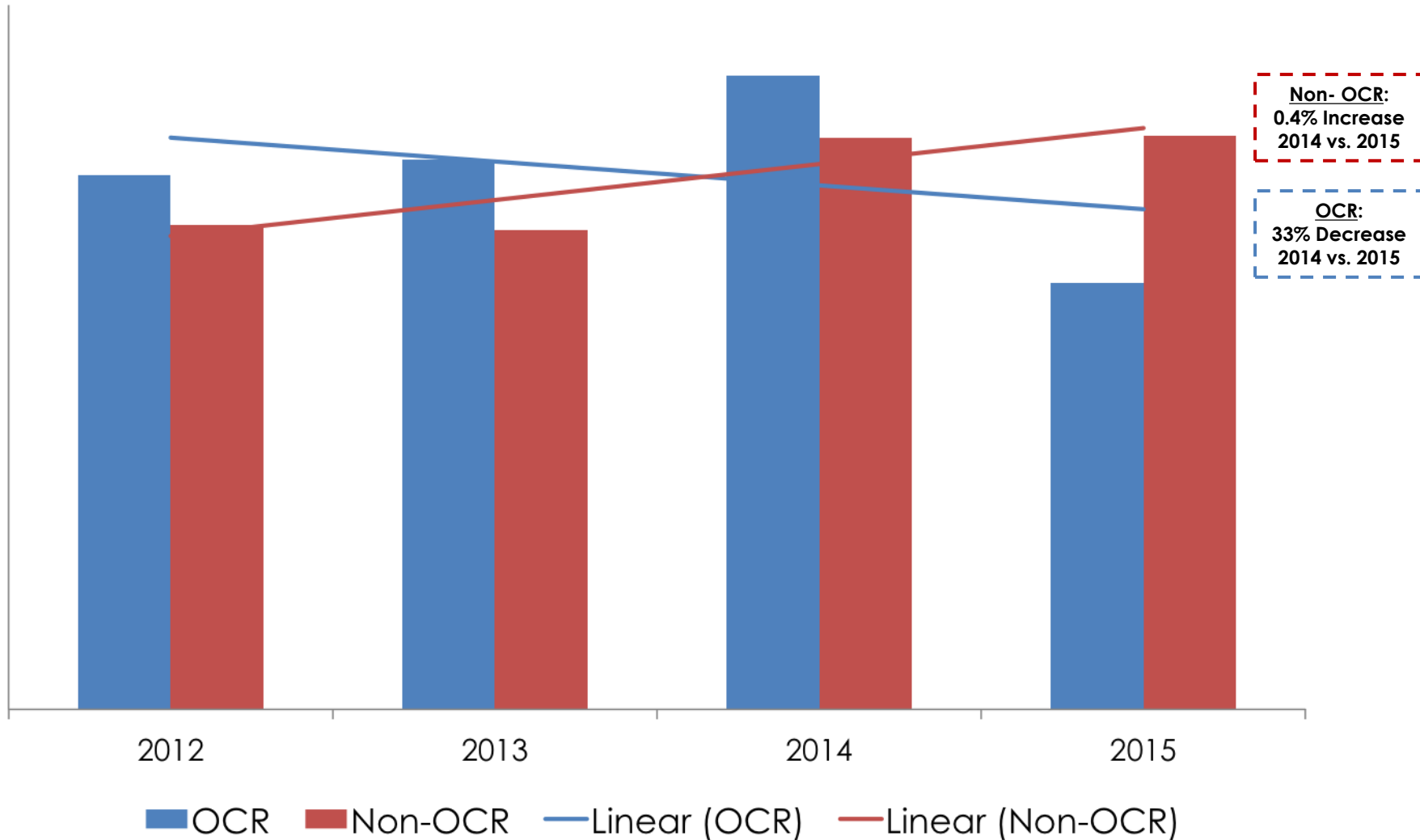
Utilization Measure

Inpatient Bed Days



Utilization Measure

ED Visits



Did we Achieve Our Goals?

- ❖ Respond to financial pressures to moderate the cancer care cost trend
 - OCR practices continue to **bend the cost curve** over 5+ years of program experience.
- ❖ Improve the quality of care
 - OCR practices demonstrated year-over-year **improvements** in performance on ASCO **clinical quality** measures.
 - OCR practices **out-performed** standard FFS model in key **utilization** metrics (i.e. Bed Days, ED visits).
- ❖ Align our oncologists' incentives with organization's initiatives

What Is Next?

- ❖ Improve our program
 - Incorporate best practices from other initiatives
- ❖ Adapt our program to the changing marketplace
- ❖ Does our program have potential as an oncology APM in the MACRA environment?

Panel Question 1

- The treatment of cancer is constantly evolving with routine introductions of new and costly technology and drugs. How do you account for the costs of new technology and drugs once a bundled price has been established?

Panel Question 2

- Many Payors have already launched their own versions of oncology alternative payment and none deploy prospective bundled pricing. For example: Anthem Quality Oncology Care, Aetna Oncology Medical Home, CMMI-Oncology Care Model.
- What, if anything, does this implicate regarding market readiness for bundled pricing?
- Will bundled pricing in oncology become predominate or is a care management fee + shared savings model preferred for oncology?

To Bundle or Not to Bundle?

Questions?

Thank You for Your Attention

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