

ASCO's Payment Reform Model

Presenter

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Consolidated Payments for Oncology Care

Payment Reform to Support Patient-Centered Care for Cancer

ASCO's Clinical Practice Committee Payment Reform Work Group

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Rough Waters for Practices

- Economic pressures
- Political turbulence
- General disruption across medicine
 - Sequestration
 - ICD-10
 - PQRS, Meaningful Use
 - Health Reform
 - ACOs, shifts in practice environment
 - Performance based payment
 - Wave of newly insured
 - Uncertainty



How Are Payers Responding?

- Focus on cost and value
- Proliferation of pathway/quality reporting programs
- Push for efficiencies (e.g., EHR)
- Exploring new payment models (e.g., bundling)
- Less sympathy for “oncology is special”

Including Policymakers...

SGR Repeal Bill

- Repeals SGR
- Encourages testing of specialty specific payment models
- Credit for participation in QCDRs

CMS

- Payment Reform Model Released
- Eager to hear from specialties about different models

Goals of CPOC

- Payment structure
 - Patient centered
 - Better match to services we provide/patients need
- Simpler billing structure
- More predictable revenue stream
- Incentivize high quality, high-value care
- Support coordinated, patient-centered care



Monthly Payments Based on Phases of Care

New Patient

Treatment Month

Monitoring Month

Transition of Treatment

New Patient Payment

- Single payment
- Includes patient evaluation, treatment planning, patient education
- Diagnostic testing paid separately

Treatment Month Payment

- Single payment each month patient receives treatment (IV or oral therapy)
- May receive both a treatment month payment and a new patient payment in the same month
- Higher monthly payments for sicker patients and those receiving more toxic and complex regimens

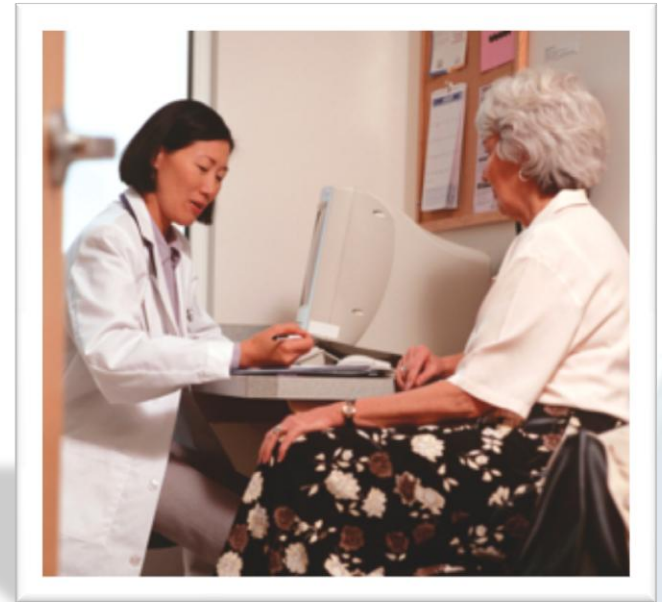


Monitoring Month Payment

- For patients not receiving active anti-cancer therapy (e.g. treatment holiday or completion)
- 3 levels of payment
 - Higher for months immediately following end of treatment
 - Lower for patients on long-term monitoring

Transition of Treatment Payment

- Patient beginning new line of therapy or ending treatment with no further treatment planned
- Reflects time involved in treatment planning and patient education



Current vs. Proposed Payments

CURRENT

- E&M (new patient)
- E&M (established patient)
- Consultations
- Chemotherapy administration/therapeutic injections/hydration



PROPOSED

- New patient payment
- Treatment month payment
- Transition of treatment payment
- Active monitoring month payment

6% of ASP+6% could be folded into treatment month payments once an alternative to buy and bill is developed and sufficiently tested.

Continued FFS Payments

- Laboratory tests
- Bone marrow biopsies
- Portable pumps
- Blood transfusions
- (list not all inclusive)



Multi-Year Transition Design

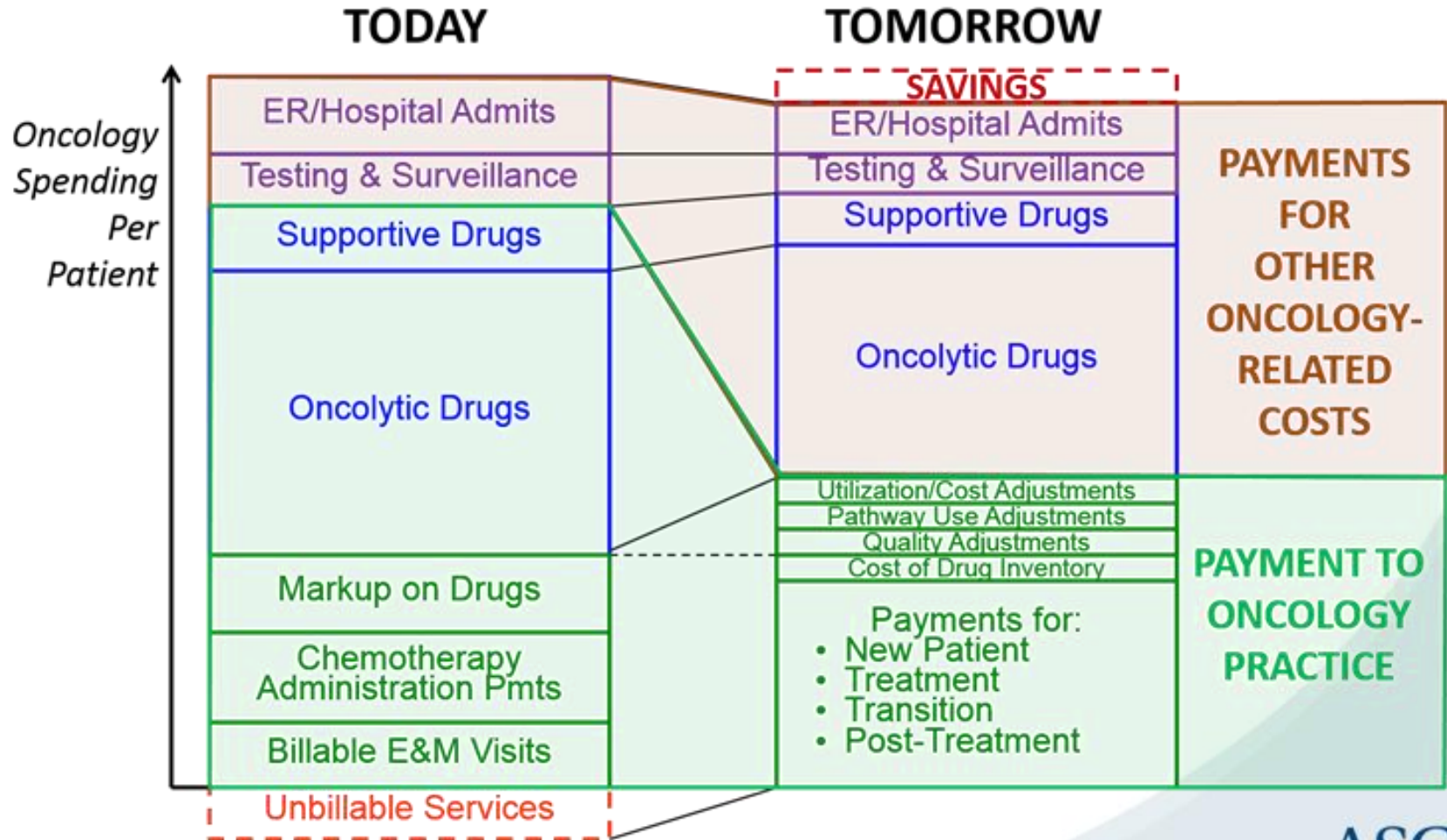
- Net revenue to practice \geq existing system
- Total spending by payer \leq existing system
- Payer and practice negotiate acceptable risk corridors during transition
 - Practices protected against losses in initial years
 - Payers and practices share in savings achieved
 - Practices take on greater accountability as care processes redesigned

Additional Payment Adjustments

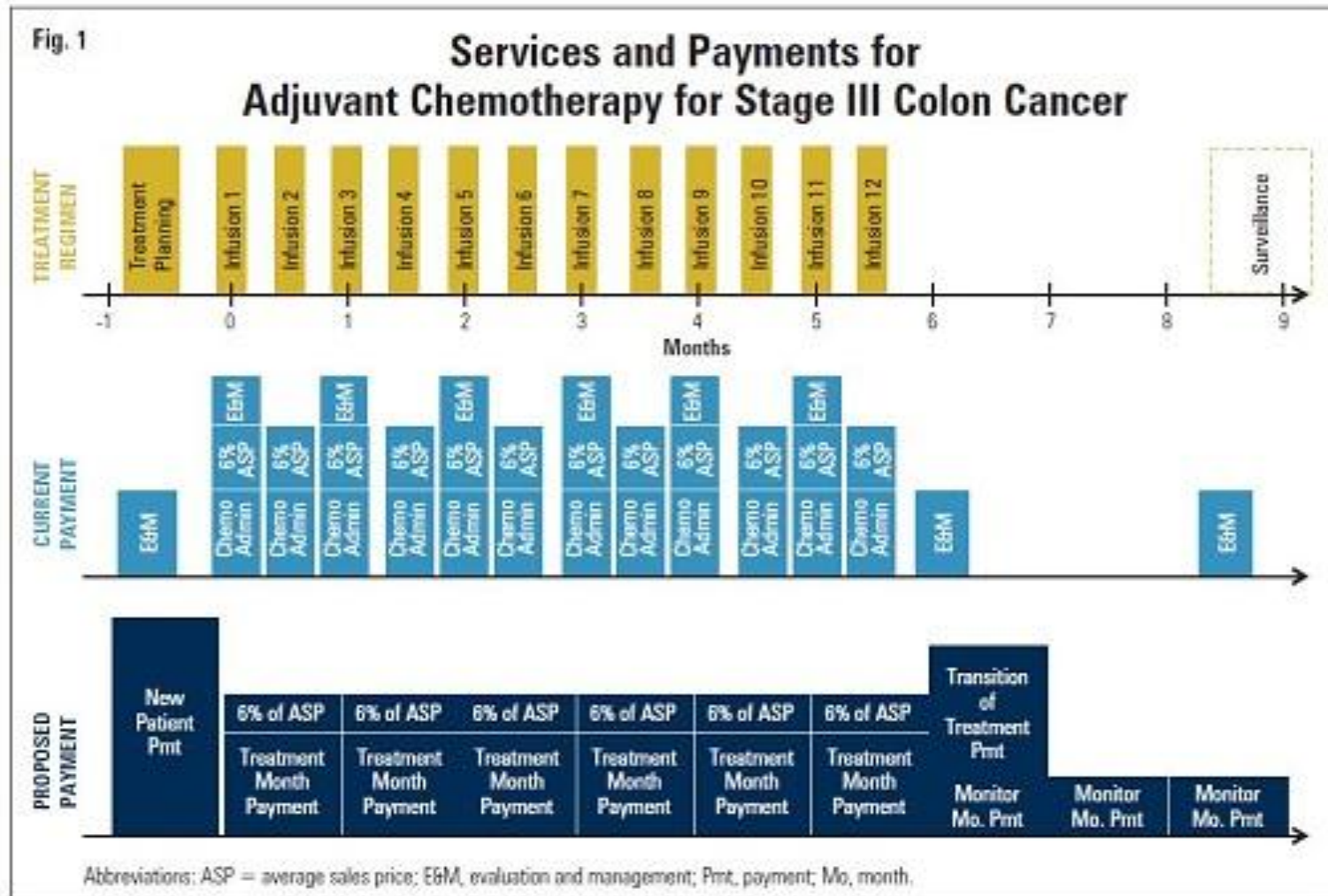
- Quality measures phased in over time
- Pathways, two stages:
 - Adherence
 - Use of certified pathways
- Resource utilization
 - OMH
 - ER and hospital admissions
- Clinical Trials
 - Higher Treatment Month and Non-Treatment Month payments for enrolled patients



Reimbursement by Category: Today vs. Tomorrow



Example: Stage III Colon Cancer, FOLFOX VI, 12 Cycles



Expected Impacts

- More flexibility for practices
- Practices accountable for quality of care and costs
- Simplification: replaces 58 codes with 11 codes



DISCUSSION

