New Oncology Care Delivery and Payment Reform Models

A Guide for Patients and Advocates
The Cancer Policy Institute of the Cancer Support Community
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New Models, New Challenges

"We need to do everything we can to help patients understand these new models and become empowered to make decisions about their care."

– Kim Thiboldeaux, CEO, Cancer Support Community

The landscape of cancer care, and the ways in which that care is delivered, is changing. In the past few years, several new models have emerged and are being integrated at various levels and with varying degrees of transparency into the delivery of health care in this country. It is important for people facing cancer to be aware of these changes and their potential impact on patient care.

Since this is a very fluid and rapidly changing area, the goal of this resource is to provide a basic framework for patients and advocates to:

- Define and assess the care/payment models that are currently being utilized
- Understand the factors that are driving these changes
- Understand the difference between treatment pathways and treatment guidelines and their importance in treatment decision making
- Develop an action plan to educate and empower people facing cancer to understand the importance of these new models and fully participate in the shaping of their health care.

WHAT IS THE DIFFERENCE BETWEEN A TREATMENT GUIDELINE AND A TREATMENT PATHWAY?

Treatment Guidelines:
Statements that include recommendations intended to optimize patient care that are informed by a systematic review of evidence and an assessment of the benefits and harms of alternative care options (IOM, 2011).

Treatment Pathways:
Care plans that detail essential steps in the care of patients with a specific clinical problem and describes the patients expected clinical course. The goal of treatment pathways is to standardize care, improve outcomes and reduce cost. There are a number of sources for pathways but many of them are developed by payers or for-profit entities. Both the process and product are frequently less transparent to patients and the clinicians using them.

THE CHANGING LANDSCAPE OF CANCER CARE

> *"These changes are happening in the market because of deep changes in care, and are not all related to the Affordable Care Act."*
>
> –Lauren Barnes, Senior Vice President, Avalere Health

Alternative payment models address the triple aims driving health care reform today: better health care, better health, and reduced costs. All have a goal of paying for value rather than volume, and encouraging more holistic and experienced based patient care. They seek to move away from the entrenched fee-for-service model. This model treats and pays for each transaction in a health care episode separately, with each transaction going towards delivery systems that utilize evidence-based tools and incentives to improve care and reduce costs. The belief is that better health care and better health will lead to reduced costs.

While the four primary models being developed and tested in the market are relevant to chronic disease in general, as a high cost specialty area, oncology is becoming a central focus of these efforts. Cancer may be a big target, but it is also a very difficult one. There are literally hundreds of different cancer types, each with an increasingly complex matrix of treatment options. The field changes rapidly, especially for cancers that are difficult to treat or advanced, or for which there are few set therapeutic options. Individual circumstances and patient preference can also strongly influence the decision making process. To date, most of the models that have addressed cancer have focused on those tumors for which treatment guidelines are better established and more predictable, e.g. early breast cancer.

There are a number of factors currently influencing oncology care delivery. They include:

- **Market Consolidation:** Hospitals and health systems are buying free-standing and community-based practices. In 2011, 87% of chemotherapy was administered in physician owned oncology clinics. Today, that has dropped to 67%. This shift from receiving care in the physician's office to receiving care in the hospital setting has had a dramatic impact on rising costs.
- **Network Adequacy:** As new delivery systems emerge and the networks of care providers become more limited by health insurance plans, there are serious issues as to whether academic medical centers are included in these networks—and frequently, they are not. Currently in Texas, for example, MD Anderson Cancer Center is part of only three health care coverage options available through the health care marketplace or "exchange." This has important consequences for patient choices as to where they have their cancers treated, particularly for rare and hard to treat tumors. Access to clinical trials and to a range of other related services is also affected by these "narrow networks." Additionally, patients may have to travel longer distances to receive care by a provider or institution that is "in network" which adds to the out-of-pocket cost incurred by the patient.
- **Setting of Care Shifts:** Cancer care is moving back to the hospital from the doctor's office. This results in significant discrepancies in the costs of care, with hospital-based costs being five to eight times that of physician offices.

- **Loss of Autonomy:** Oncologists employed by hospitals are often constrained by standardized systems and set guidelines that reduce their flexibility and ability to make individualized decisions to meet the specific needs of patients.

ALTERNATIVE MODELS OF CANCER CARE AND PAYMENT

> *"Every model addresses patient involvement differently—each trying to embed the patient experience and outcomes perspective in its design."*
>
> –Heidi Schumacher, MD, Centers for Medicare and Medicaid Services

Broadly speaking, there are four alternative models for health care and payment that are impacting cancer care delivery in today's market. These are:

- Treatment Pathways
- Patient-Centered Medical Homes
- Accountable Care Organizations
- Bundled Payments

Each addresses the issues of value, more standardized and accountable care, patient needs and costs—but in ways that differ both in philosophy and practice. From the patient perspective, each has pros and cons.

Treatment Pathways encompass a wide range of guidelines-based programs. In general, these pathways are generated by payers, individuals and/or organizations that focus on care efficiency models and often include preferred drug choices. Health care providers and organizations are asked to participate in treatment pathways and often receive some type of incentive for doing so. As noted, cancer treatment continues to be both a high priority for those interested in standardization, yet a difficult area in which to apply treatment pathways given the complex nature of the illness. Treatment pathways can be combined with another approach, such as the patient-centered medical home model.

In terms of the patient experience, treatment pathways have a number of potential advantages, including:

- Improved communication about expected treatment
- Delivery of more standardized, evidence based care
- Streamlined, more coordinated care
- Decreased complications, hospital length of stay and admissions
- Fewer repeated procedures

Potential disadvantages:

- Reduced physician flexibility
- Decreased ability to honor patient preference
- Reduced access to high cost, innovative therapies
- Potential conflict between incentive-based care and patient-centered care

The last point is particularly true when drug costs are a primary means of assessing value. Treatment pathways are also, in some instances, lacking in transparency, meaning that the evidence on which they are based may not be fully available and the health care team incentives are not always published. This creates concerns that recommendations are driven more by cost than by individual patient needs. Since different payers use different pathways, the potential exists for multiple or conflicting pathways within a single clinical setting or practice. Treatment pathways tend to diverge for cancers that are rare, difficult to treat or advanced.

Patient-Centered Medical Home (PCMH) began as a movement in primary care medicine but medical homes are now being developed in the oncology setting. The primary aim of the medical home model is to provide coordinated, comprehensive patient-centered care. This model aims to increase patient access to care, assess individual needs and create targeted, individual care plans. In the PCMH model, the oncology health care team is the overall care coordinator, a role that works well in the oncology setting since most patients receive the majority of their health care from their oncologist during treatment.

PCMH is viewed as an opportunity to change both delivery and payment by paying for enhanced services and rewarding care that reduces costs, including hospital admissions and emergency room visits. The medical home relies on enhanced patient communication and involvement of the full health care team in providing coordinated care. Provider groups such as the Consultants in Medical Oncology and Hematology, The Community Oncology Association and American Society of Clinical Oncology are actively engaged in the development and implementation of the Oncology Patient-Centered Medical Home (OPCMH) model, and are in the process of developing accreditation standards for oncology practices across the U.S..

In terms of the patient experience, the OPCMH model:

- Provides a seamless experience
- Improves access to personal medical data through electronic medical records and patient portals
- Provides increased interaction with providers and care teams
- May lead to fewer repeated procedures
- May see increased use of patient experience and satisfaction surveys

Patient-Centered Medical Homes require significant structural change, both in terms of how physician practices operate and how services are paid for. For this reason, they may be more challenging to implement. OPCMH advocates are working with payers and policymakers to create payment mechanisms to incentivize the coordinated care that lies at the heart of the medical home model.

Accountable Care Organizations (ACOs) consist of a clinical entity and a set of providers who agree to be jointly accountable for the cost and quality of care delivered to a defined patient population. The initial vision was of a “hub and spoke model” with hospitals serving as the originators and providing central

coordination for their network of associated providers. As ACOs have developed, however, physician practices and multi-specialty clinics often serve as the hubs for smaller scale networks of providers. This model is being used by Medicare and Medicaid and by private payers

ACOs are voluntary for participating providers and rely on the local providers for accountability, efficiency and quality of care. They offer both performance incentives and performance measurement to ensure optimal patient outcomes.

In terms of the patient experience, ACOs:

- Provide a seamless experience
- Provide increased interaction with provider and care teams
- Improve access to personal data through electronic medical records, and patient portals
- May lead to fewer repeated procedures
- May lead to increased use of patient experience and satisfaction surveys
- Increase the focus on choosing the appropriate setting of care

Patients participating in ACOs are encouraged to seek care with ACO participating health care providers and may see disruptions in their therapy if they choose treatment options outside the network. ACOs may also limit access to high cost, innovative treatments. At this time, ACOs have limited application to oncology with only two organizations operating, which are both in Florida.

Bundled Payments involve a single payment for a range of services delivered during individual episodes of care. In short, the provider is paid a standardized rate for a specific diagnosis or condition; say a stage IIa breast cancer. The model was developed to pay for procedures, such as dialysis, but is being expanded to more complex conditions. In oncology, it potentially applies best to cancers in which there are defined treatment pathways, e.g. early prostate cancer.

Bundled payments theoretically allow physicians more flexibility in how they choose and allocate treatments, as well as provide multiple avenues in which to affect cost savings. For many cancers, however, bundled payments are complicated and difficult. The most prominent example of a bundled care system in the field was the pilot test conducted by UnitedHealthcare® between 2010 and 2012 for patients with breast, lung and colon cancer. The program demonstrated an overall 34% reduction in medical costs, while seeing an increase in chemotherapy costs. There is a next generation UnitedHealthcare® study ongoing with bundled payments for patients with head and neck cancer being treated at MD Anderson Cancer Center. The results of this study will be analyzed over the course of several years.

In terms of patient experience, the bundled payment approach:

- Provides for a seamless experience
- Allows patients to be seen by any willing provider
- Provides for better post discharge planning
- Can lead to being transitioned to a less expensive care setting or earlier discharge

As with several of these models, the bundled payment approach has the potential to disrupt therapy or limit access to high cost, innovative therapies. A major challenge in oncology is in defining the bundles. What services are included? How specific and narrow is each bundle? These issues have led to concerns about how broadly the bundled payment model can be applied in oncology.

WHAT PEOPLE FACING CANCER NEED TO KNOW

> *"Our challenge comes from including the patient in the discussion. We need better data at the decision points to improve outcomes from both the medical and patient perspective."*
>
> – Susan Tofani, Oncology Management Services

For most people who are facing cancer and actively involved in treatment, the emergence of these new models and their impact on patient care remain largely invisible. There exists a gap between patient's interest in and ability to access information about how their care is delivered and paid for, and its importance in the decision making process. This applies to both potentially positive and negative outcomes. Among the issues generated by these new models are:

- Access to physicians and medical centers for treatment
- Access to clinical trials
- Access to innovative therapies and new agents
- Treatment decisions driven by costs of drugs
- Treatment directed more by guidelines and less by patient preference
- Lack of transparency in pathways directed decision making
- Higher percentages of the cost of care being the responsibility of the patient

At the same time as these barriers present themselves, these models bring with them opportunities for an elevated patient voice and better patient experience. These include:

- Increased emphasis on patient reported data to measure both outcomes and satisfaction
- Better coordination of care
- Improved communication with the full treatment team
- Fewer procedures, admissions and ER visits
- Improved access to personal medical records through electronic medical records and patient portals
- Increased accountability for outcomes related to quality of life issues
- More transparency with regards to the cost of care
- More active patient involvement in policy making activities

The challenge for patients, advocates, policymakers and communicators is how to educate the people who are faced with making treatment decisions in ways that are useful and empowering. The universe of health care delivery and payment models, of pathways and guidelines, and of policy and practice can seem very remote from the day to day concerns of patients and their families as they go through their cancer journey. However, it is critical that the patient voice is clearly heard as these models are developed and implemented.

AN ACTION PLAN

> *"This is not an area or a set of issues in which we can just dump information on people. We need to emphasize skill building, show people with cancer what they can do and what choices they have."*
>
> – Linda House, President, Cancer Support Community

What can be done to address the information and education needs of patients and families on this fluid, complex set of issues?

- Health care professionals, patient advocates, patients and families, themselves need to be better educated about the evolving health care landscape and policy—and more actively involved in influencing these models and the policies that drives them.
- Patients should not be expected to have an in-depth understanding of health care delivery and payment models, but should be aware that pathways and policies exist that can affect their treatment decisions, and patients should be comfortable engaging in conversations on these issues.
- Patients should be prepared with lists of questions to ask their health care team, and have access to individual treatment decision counseling to guide those discussions.
- Informational and educational materials need to include print and online resources, but go beyond these media to include multimedia tools and skill building exercises to help patients actually navigate the system.
- In developing messaging and materials, advocates need to be aware of the importance of presenting evidence and data in addition to personal stories and testimonials.
- Materials need to address the varying levels of interest, literacy and cultural diversity that patients and families bring to their health care experience.

The ability of the cancer community to work together to gather and use data, develop consistent messaging and useful tools--and to act in the public policy arena, is critical. The complexity and fluidity of the oncology care landscapes demands a unified, informed approach that keeps the patient at the center. Ultimately, it will be the patient voice that will, help push payers and providers to create the transparency and accountability required to improve the patient experience.

RESOURCES

Cancer Support Community Cancer Policy Institute
www.cancersupportcommunity.org/mainmenu/get-involved/public-policy-and-advocacy

Cancer Support Community Open for Options: A program to help guide people with cancer in making treatment related decisions
www.cancersupportcommunity.org/mainmenu/researchtraining/research-projects-2/open-to-options-decision-support-counseling.htm

Center for Medicare and Medicaid Innovations
www.innovations.cms.gov

Community Oncology Alliance
www.communityoncology.org/site/medical-home-aco.htm

Journal of Oncology Practice Webinar on Alternative Payment Models in Oncology
http://jop.ascopubs.org/site/misc/webinar-oncology-payment-reform.xhtml

National Comprehensive Cancer Network
www.nccn.org

Oncology Management Services
www.opcmh.com

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C-Change

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