

Welcome



**CANCER SUPPORT
COMMUNITY™**

A Global Network of Education and Hope

*New Oncology Care Delivery and Payment Reform Models:
Implications for Patients and Advocates*


*November 19, 2014
Washington, DC*

Thank You to our Sponsor



Thank You to our Partners

The Cancer Policy Institute *at the*
CANCER SUPPORT COMMUNITY



New Oncology Care Delivery and Payment Reform Models

Implications for Patients and Advocates

November 19th, 2014 · 10 am - 3:30 pm · Washington, D.C.

PRESENTED BY THE CANCER SUPPORT COMMUNITY
IN PARTNERSHIP WITH



Thank You to our Speakers and Panelists

Lauren Barnes, Senior Vice President, Avalere Health

Dr. Heidi Schumacher, Program Lead, Center for Medicare and Medicaid Innovation

Susan Tofani, Director, Payer & Network Relations, Oncology Management Services

Dr. Deborah Kamin, Senior Director, American Society Clinical Oncology

Marc Boutin, Executive Vice President & COO, National Health Council

Stephen Northrup, RampyNorthrup

Ted Okon, Executive Director, Community Oncology Alliance

Dr. Ira Klein, National Medical Director, Aetna

Dr. Robert Carlson, Chief Executive Officer, National Comprehensive Cancer Network

Agenda

10:00am **Opening Remarks**

10:15am Newest Trends in Payment Reform

11:00am **Panel Discussion: New Care Delivery Models**

12:00pm **Lunch**

12:15pm **Election Results & the Future of Oncology**

1:15pm **Panel Discussion**

Cancer Treatment Coverage through Guidelines & Pathways

2:00pm **Facilitated Discussion: Implications for Patients & Advocates**

3:15pm **Closing Remarks**



Overview of Oncology Alternative Payment Models

Lauren Barnes
Cancer Support Community
November 19, 2014

Today's Topics

- Evolution of the Oncology Payment, Delivery and Value Landscape
- Overview of Key Alternative Payment Models (APMs)
 - Clinical Pathways
 - Patient Centered Medical Home (PCMH)
 - Accountable Care Organization (ACO)
 - Bundled Payment/ Episode of Care
- Discussion/Questions



Evolution of Oncology Payment, Delivery and Value Landscape

APMs Seek To Address Healthcare “Triple Aim”

Better Healthcare

- Improve individual patient experiences of care along the IOM six domains of quality: Safety, Effectiveness, Patient-Centeredness, Timeliness, Efficiency, and Equity

Better Health

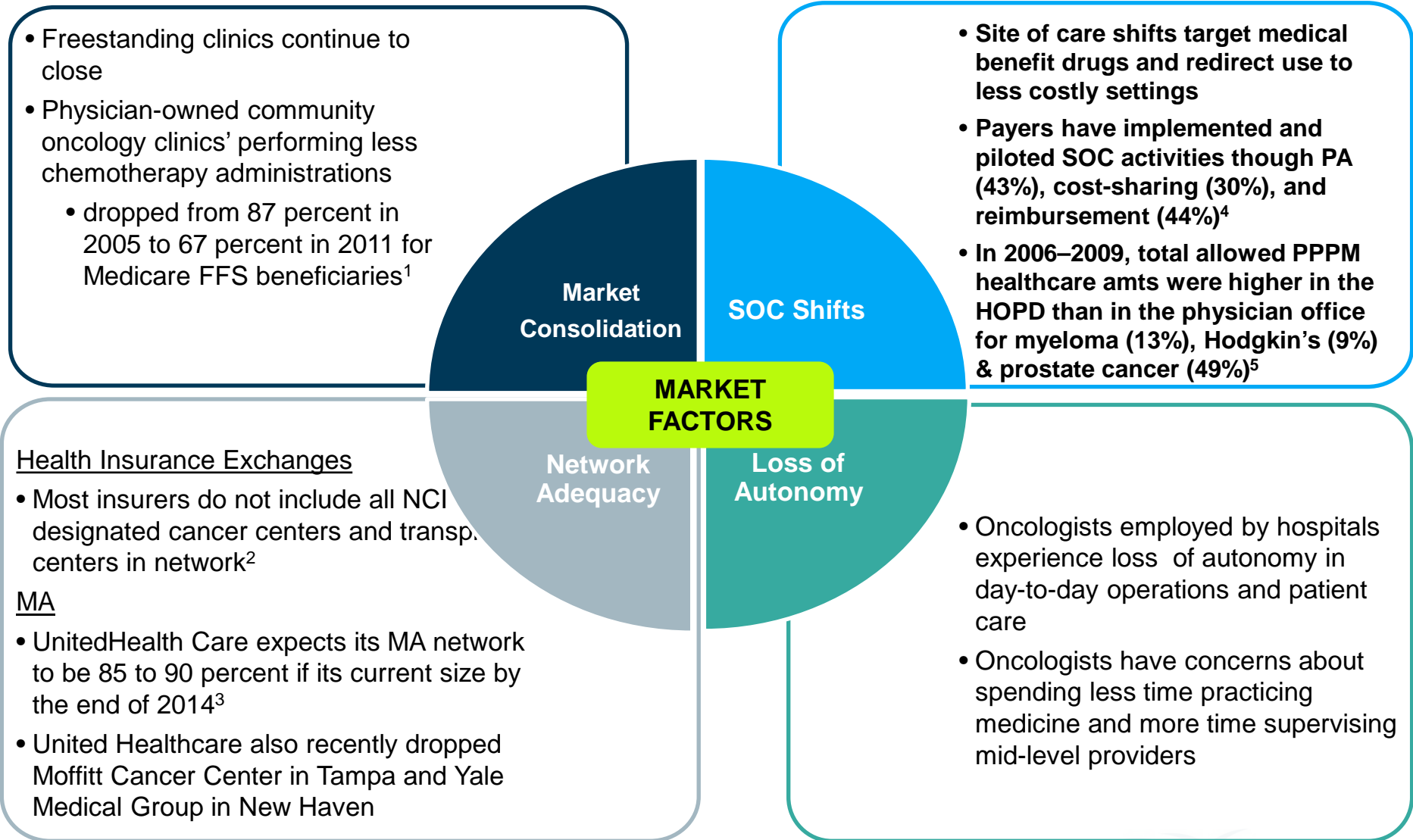
- Encourage better health for entire populations by addressing underlying causes of poor health, such as physical inactivity, behavioral risk factors, lack of preventive care and poor nutrition

Reduced Costs

- Lower the total cost of care resulting in reduced monthly expenditures for each Medicare, Medicaid, or CHIP beneficiaries by improving care

Focus on triple aim provides opportunities to improve health care outcomes through preventive services, increased adherence & enhanced provider access. However, focus is shifting to high cost specialty therapeutic areas such as oncology.

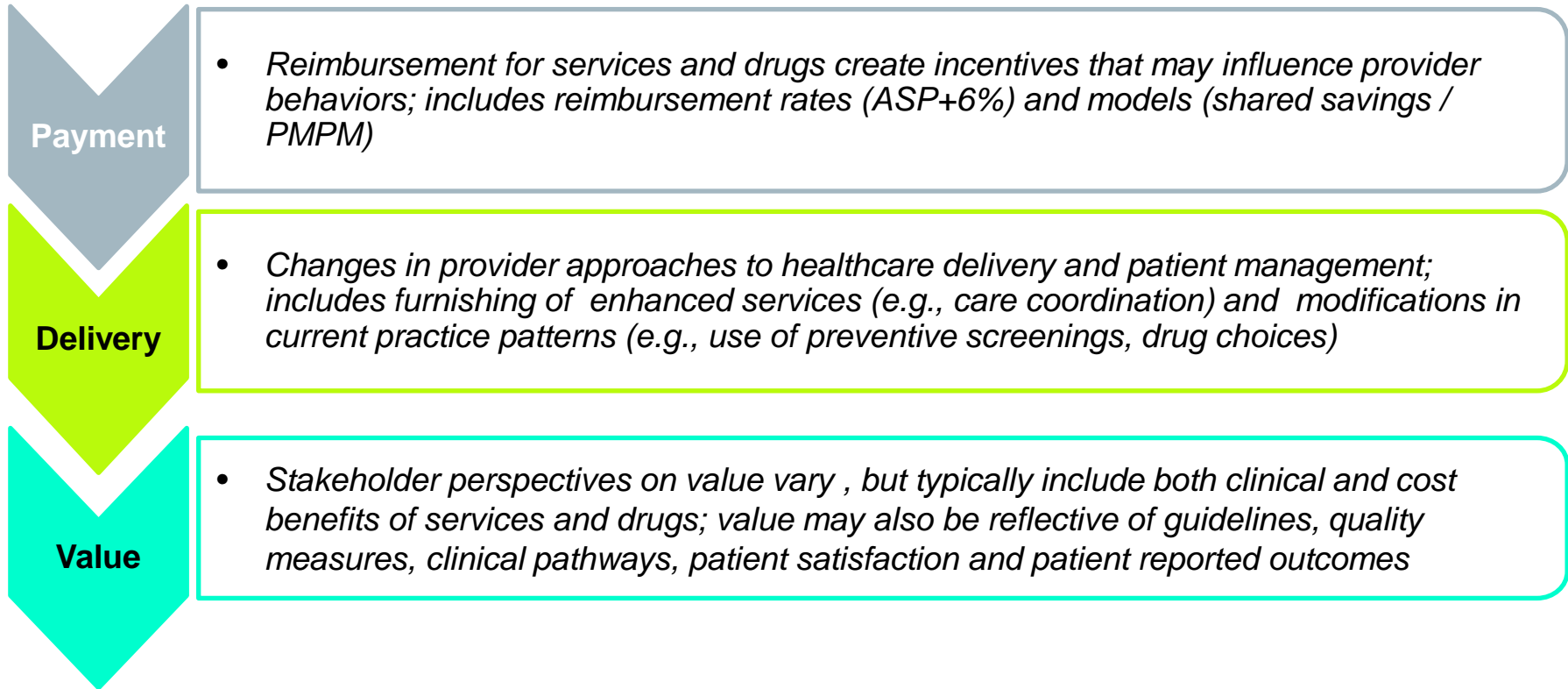
Several Factors Influencing Oncology Care Delivery, Compounding Affect of APMs



1. Community Oncology Alliance. "Community Oncology Practice Impact Report." 25 June 2013.
 2. Milliman, Inc. "2014 Individual Exchange Policies in Four States: An Early Look for Patients with Blood Cancer." 9 January 2014.
 3. Wall Street Journal. "UnitedHealth Culls Doctors From Medicare Advantage Plans." November 2013.
 4. Janssen Biotech Inc. "Dimensions: Speciality Management Solutions – 2014 Edition." Johnson & Johnson Health Care Systems Inc. Research by Avalere Health. April 2014. (Data results from 81 respondent survey of U.S. health plans.)
 5. Milliman, Inc. "Site of Service Cost Differences for Medicare Patients Receiving Chemotherapy." 19 October 2011.

Oncology Payment, Delivery and Value Landscape Continues to Evolve

PAYMENT AND DELIVERY CHANGES ARE INTRINSICALLY LINKED AND RELY HEAVILY ON VALUE DETERMINATIONS TO INFLUENCE PROVIDER BEHAVIORS



Historically, oncologists have not faced the same reduction of clinical autonomy as other specialists. However, as payers look to better manage high cost therapeutic areas, oncology has increased in focus, particularly where evidence supports low variability in treatment patterns



Overview of Key APMs

Impact of APMs Will Vary Based on Incentives and Cancer Type

TESTING IN ONCOLOGY IS A GROWING PAYER INTEREST WITH INCREASED ACTIVITY ANTICIPATED IN THE NEXT 1-2 YEARS

Model	Approach	Key Considerations for Oncology
Clinical Pathways	<ul style="list-style-type: none"> • Provide additional payment when following desired clinical protocols • Decrease variation in decision making 	<ul style="list-style-type: none"> • Typically payer driven; often include preferred drug choices • May be provider driven when component of subsequent models; • May be used to offset changes in drug payment (replace incentives in buy and bill)
PCMH	<ul style="list-style-type: none"> • Assess patient risk and create targeted care plans • Enhance patient access to care (e.g., longer office hours, use of nurse coordinators) 	<ul style="list-style-type: none"> • Oncology PCMHs are typically cancer agnostic • Viewed as best opportunity for oncologists to receive payment for enhanced services currently performed but not recognized (e.g., care coordination) • Incentives to reduce costs may increase focus on cancers with robust guidelines/pathways (e.g., prostate cancer)
ACO	<ul style="list-style-type: none"> • Reduce hospital readmissions, • Site-of-care optimization (e.g., use outpatient settings over inpatient, minimize post-acute care stays) 	<ul style="list-style-type: none"> • Medicare does not have specialty specific ACOs and few exist in the commercial market • Limited information indicates that cancers of focus include cancers with established guidelines/pathways (e.g., prostate cancer) • Specialty specific ACOs are generally not viewed favorably as limited focus does not provide broader population benefit management
Bundle / Episode of Care	<ul style="list-style-type: none"> • Use least costly supplies, equipment • Identify partners to reduce high cost service use (e.g., hospital readmission) 	<ul style="list-style-type: none"> • Cancers linked to procedures (e.g., prostate cancer) or that have defined treatment pathways more likely to be targeted for cancer-specific bundles

Most current efforts are cancer agnostic but incentives to reduce costs and use evidence based tools may have differential impact on certain cancers

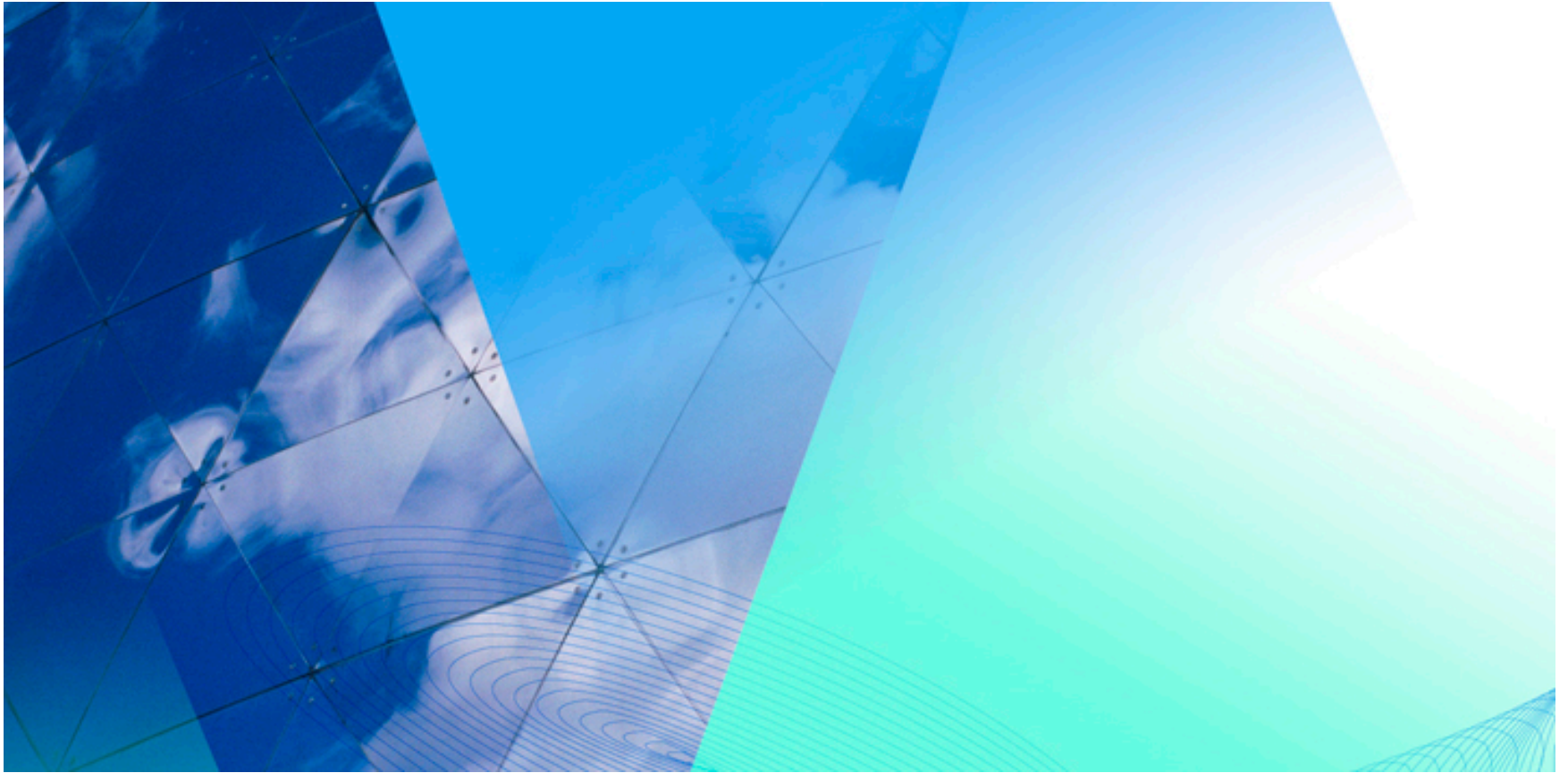
2014 CMMI Initiated Report Focused on Oncology APM Approaches and Expert Perspectives

THE BROOKINGS INSTITUTION CONVENED A TEP TO SOLICIT INPUT ON HOW BEST TO DESIGN AN ALTERNATIVE PAYMENT APPROACH FOR ONCOLOGY SPECIALTY CARE. PROJECT ALIGNS WITH CMMI'S GOALS OF DEVELOPING CARE MODELS THAT IMPROVE QUALITY AND REDUCE COSTS

Clinical Pathways	Oncology PCMH	Bundled Payment Model and Care Delivery Structure	Oncology ACO
<ul style="list-style-type: none"> • Care delivery surpasses adherence benchmark with minimal shift from current system • Uses case management fee with potential for a tiered system not tied to quality measures • Payment overlays on FFS and tied only to process measures • Likely only one time savings • Potentially results in medically contraindicated treatment with little flexibility in treatment choice • Minimal changes to provider incentives 	<ul style="list-style-type: none"> • Substantial structural change required for accredited distinction and additional oncology specific modifications • Uses a case management fee and additional infrastructure to develop payment-payment overlays on FFS • Minimal provider savings achieved with potential for administrative burden 	<ul style="list-style-type: none"> • Care delivery depends on services included in bundle • Global payment for a group of services previously reimbursed fee for service • May result in higher provider risk and perception of constrained resources • Potential for lower quality care (inappropriate or mistreatment) • Difficult to design and define bundles 	<ul style="list-style-type: none"> • Organized group of providers accountable for cost, quality and overall care of a population • Payment ranges from FFS reimbursement to transitional payment model to full global payment depending on maturity of ACO • Unfortunately it may result in providing reduced or unnecessary care to save on costs • It may also be difficult to create provider networks • Less feasible than other models as it is greatest departure from current system • High up front costs make it challenging for smaller groups

TEP: Technical Expert Panel

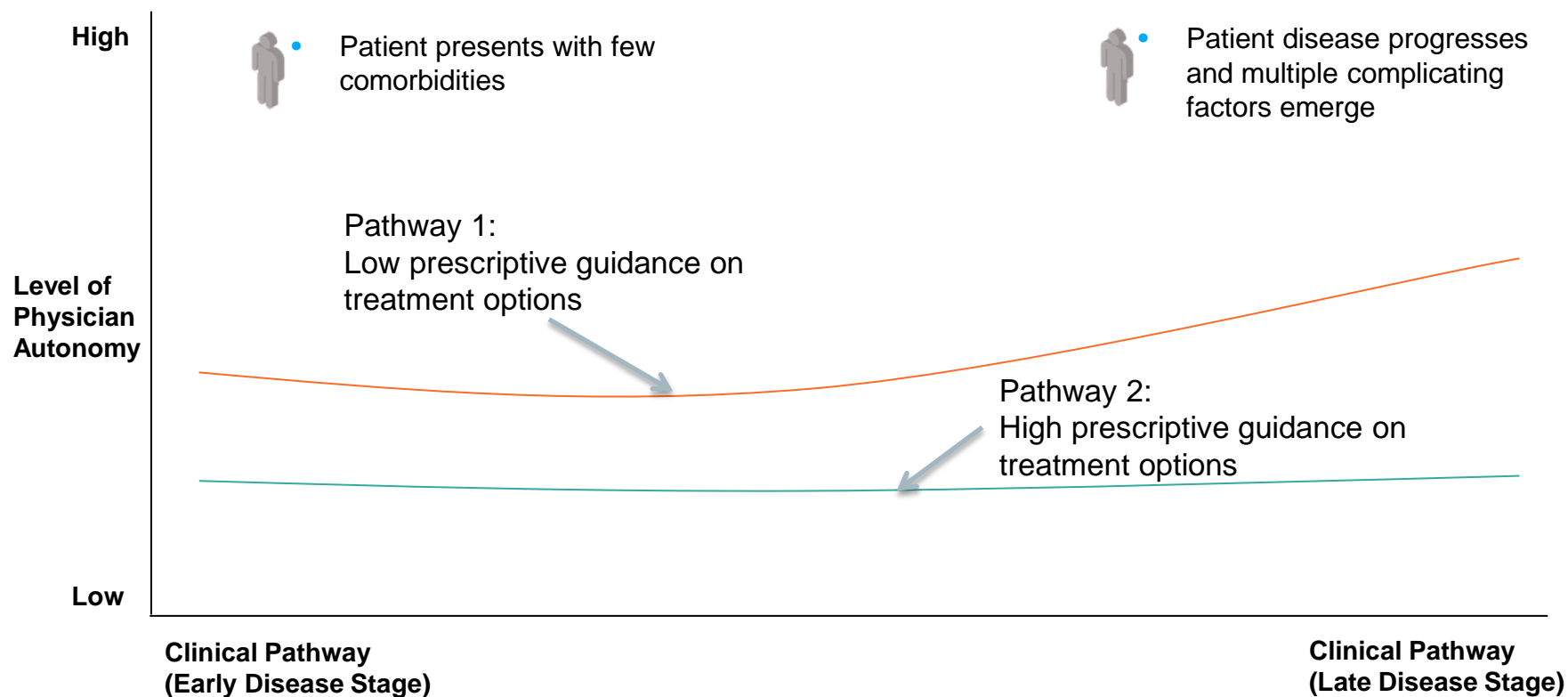
http://www2.mitre.org/public/payment_models/Brookings_Oncology_TEP_Summary.pdf



Clinical Pathways

Some Clinical Pathways Are More Prescriptive Than Others

PROVIDERS ASSUMING GREATER RISK ARE MORE LIKELY TO ADOPT USE OF CLINICAL PATHWAYS

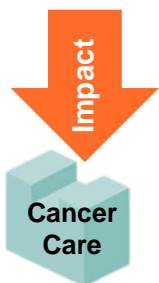


The degree of prescriptiveness of clinical pathways diverges mostly when patients enter late disease stages when multiple complications can emerge

Oncology Clinical Pathways Case Study



- **The WellPoint Cancer Care Quality Program¹** is a new pay-for-adherence program that incentivizes physicians to follow evidence-based WellPoint Cancer Treatment Pathways.
- Oncologists have the opportunity to receive a bonus payment of \$350 per patient per month for adherence to pathways for breast, lung, colorectal, lymphoma, non-small cell lung, myeloma, ovarian, pancreatic, central nervous system, and melanoma cancer.



- Clinical pathways offer an alternative to quality measures to guide physician decision making to improve adherence to evidence-based therapies.
- Efforts to incentivize clinical pathways will likely lead to an increase in standardization of care and may translate to cost savings.
- This trend may impact patient-centered care (i.e. taking into consideration patient preferences and other factors in treatment decisions).
- A potential risk is that not all clinical pathways are transparent and, as such, the evidence upon which they are based may not be available; this creates a fear among oncology community that pathway recommendations could be driven by cost considerations more than clinical effectiveness.



- Provider groups have been supportive of those clinical pathways they assist in developing (e.g., Cardinal Health/CareFirst pathways for rheumatoid arthritis), which some payers have started to do to garner provider support.
- Providers also are more accepting when the adherence thresholds allow for off-pathway treatment decisions for appropriate programs.

1. http://www.anthem.com/provider/in/f4/s0/t0/pw_e213230.pdf?refer=ahpprovider

Clinical Pathways: Patient Experience Examples

Improved communication about expected treatment

Delivery of more standardized care based on available evidence-based medicine

Potential decrease in complications, hospital length of stay, and hospital admissions

Streamlined care protocols and better coordinated care

Fewer repeated procedures or tests as well as associated cost sharing requirements

Disruption in therapy or access to high-cost, innovative treatments

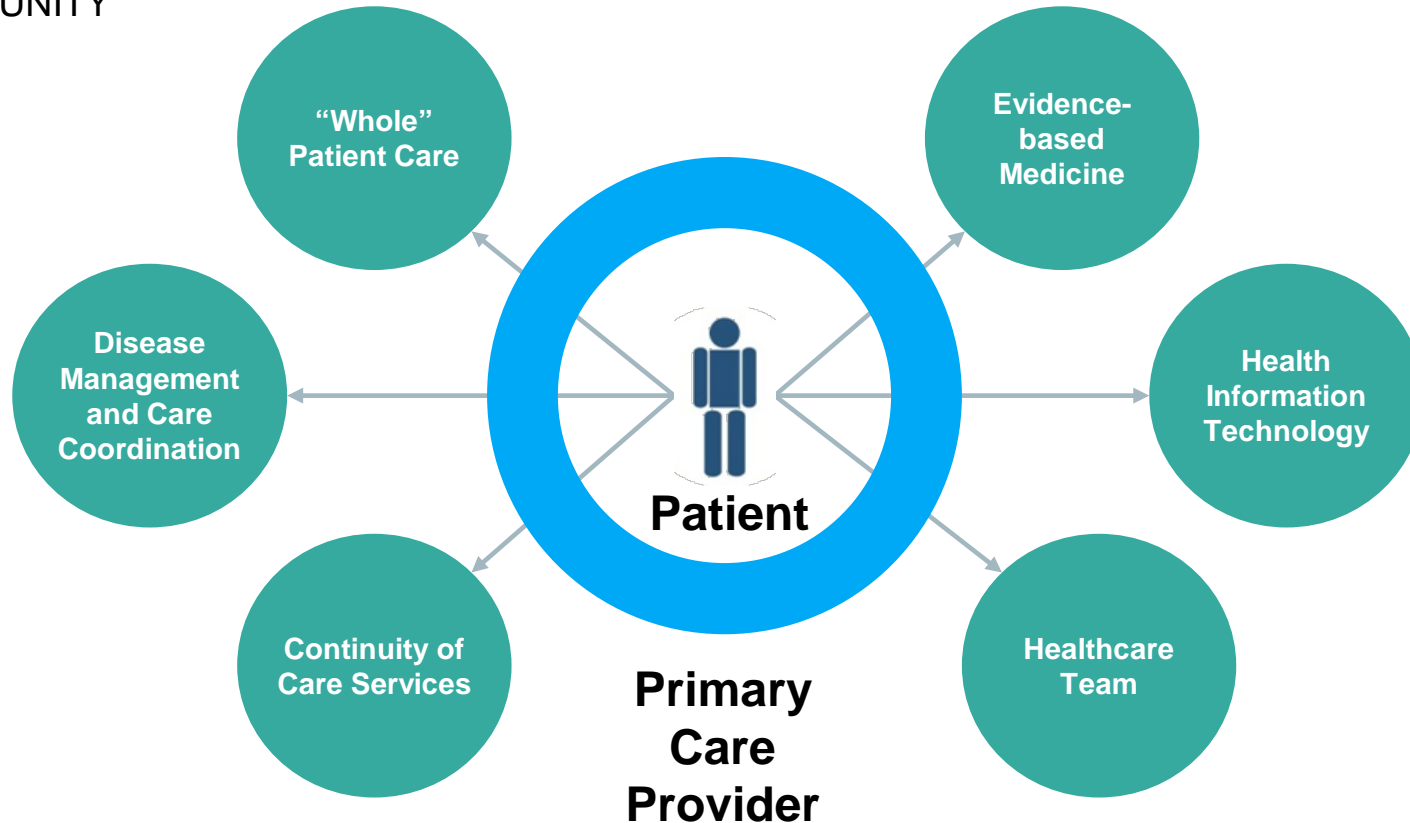




PCMHs

The PCMH Model Seeks to Enable the Provision of Comprehensive Care

THE PCMH IS A PHYSICIAN-DIRECTED PRACTICE THAT PROVIDES ACCESSIBLE, CONTINUOUS, COMPREHENSIVE, AND COORDINATED CARE DELIVERED IN THE CONTEXT OF FAMILY AND COMMUNITY

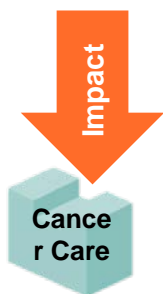


Source: American Academy et al. "Joint Principles of the Patient-Centered Medical Home." 2007.
<http://www.medicalhomeinfo.org/joint%20Statement.pdf>.

Oncology Medical Home Case Study



- **COME HOME** is using a \$19.76 million grant from CMMI to improve timeliness and coordination of cancer care and keep patients out of the emergency department.
- The model targets newly diagnosed or relapsed Medicare, Medicaid, and commercially insured patients seeking oncology care at one of seven community oncology practices.



- **COME HOME** delivers all outpatient care in the community setting, including but not limited to triage and diagnostic pathways to ensure appropriate treatment, patient education and medication management counseling, and care transitions.
- The model projects overall Medicare cost savings of \$4,178 per member per year. Based on a Medicare enrollment of 8,022 patients over three years, **COME HOME** is projected to yield a net savings of \$13.76 million.



- Provider groups, such as COA and ASCO, are generally supportive of medical home model in oncology.
- Model allows for broad management and does not focus on single cancer area. Model also can be incorporated into ASCO consolidated approach.
- COA seeking to accredit practices as means to influence proliferation of these models.

PCMHs: Patient Experience Examples

Transition should be seamless

Improved access to personal medical data through EHR/HIT

Increased interaction with provider and care teams, particularly for patients with chronic conditions

May see increased use of surveys focused on patient experience and satisfaction

Fewer repeated procedures or tests as well as associated cost sharing requirements

May have increased access to physician practice staff





ACOs

ACOs Aim to Provide Coordinated Care and Chronic Disease Management While Lowering Costs

Definition of ACO: An entity and a related set of providers that agree jointly to be held accountable for the cost and quality of care delivered to a defined patient population

**Voluntary
Provider
Participation**

**Local Provider
Accountability
for Efficiency
and Quality**

**Payment
Incentives to
Improve Care &
Slow Cost
Growth**

**Performance
Measurement to
Ensure Optimum
Care Delivery**

**Beneficiary
Assignment, but
Not Enrollment***

The ACO care delivery model is being employed by public (e.g., Medicare and Medicaid) and private payers

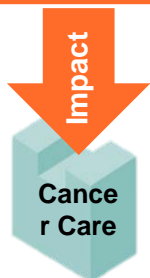


*Private conceptions of ACOs may require beneficiary enrollment rather than assignment.

Oncology ACO Case Study



- **Florida Blue, Baptist Health South Florida, and Advanced Medical Specialties**, a Miami-based oncology group, have created an oncology ACO. Dedicating an ACO as a specific specialty such as oncology is relatively new, and the Florida organization is believed to be among the first in the country.
- Florida Blue and AMS, which has 46 physicians in 17 locations throughout the Miami-Dade County area, have worked together on other quality protocols.



- Cancer care costs are Florida Blue's #1 cost. The model focuses on patients who need interventional services or modalities of treatment, which tend to be intensive, expensive and involve substantial hospital costs.
- Picked six common cancer types to include in the ACO (breast, female reproductive, male reproductive, digestive system, respiratory organs, lymphatic and blood).

Stakeholder Views



- ACOs are attractive to oncologists, who are seeing their revenue streams disrupted as payers, especially Medicare, reduce reimbursements for cancer drugs.
- However, commercial payer ACO models are significantly different than Medicare (e.g., may allow for closed networks, do not include two sided risk models) and may limit expansion within public programs.



ACOs: Patient Experience Examples

Transition should be seamless

Increased interaction with provider and care teams

May be encouraged to seek care with ACO participants

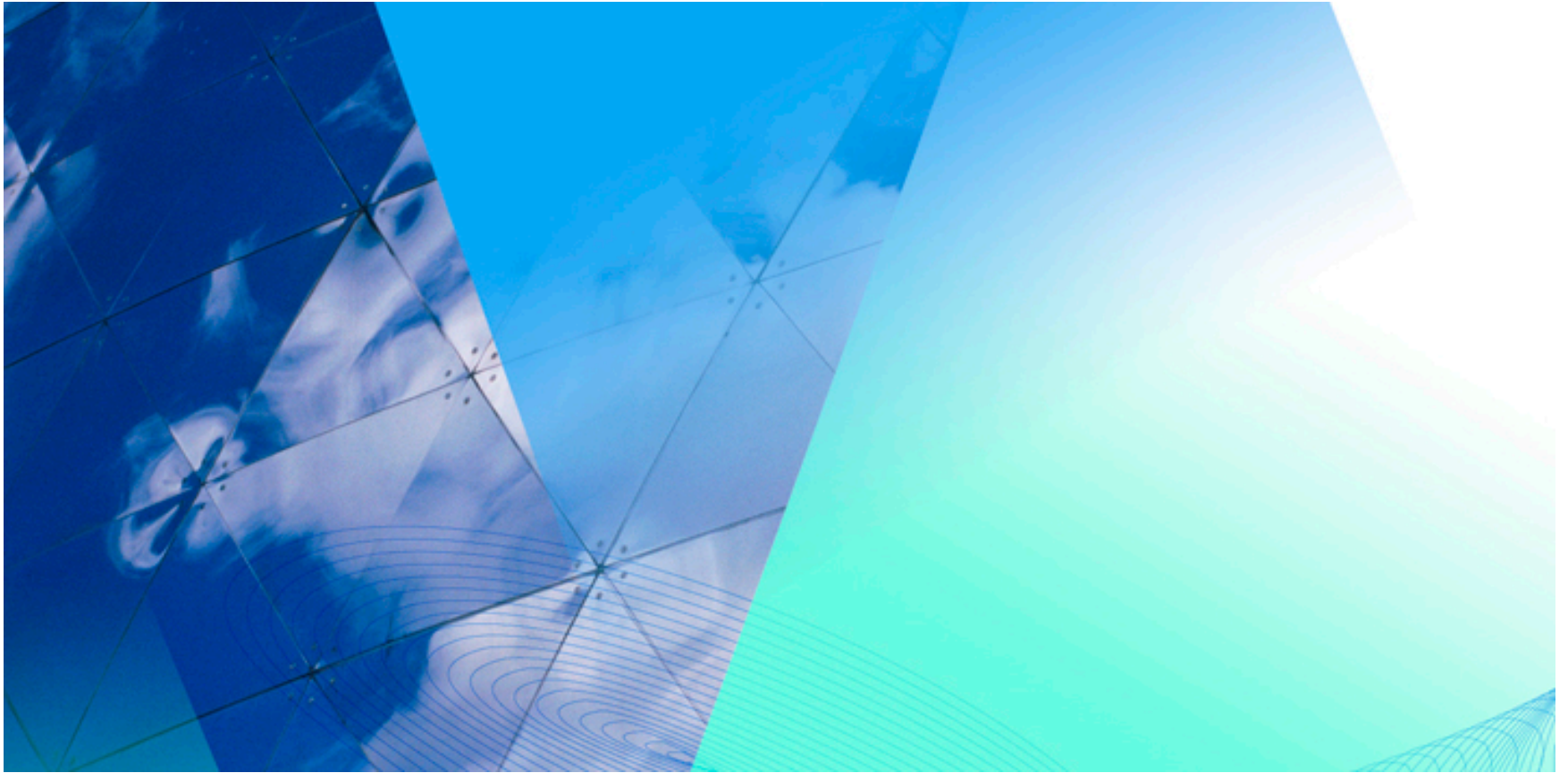
Improved access to personal medical data through EHR/HIT

May see increased use of surveys focused on patient experience and satisfaction

Increased focus when transitioning settings of care (hospital to post-acute care)

Fewer repeated procedures or tests as well as associated cost sharing requirements

Disruption in therapy or access to high-cost, innovative treatments



Bundled Payments

Bundled Payment Is a Single Payment for the Range of Services Delivered During Individual Episodes of Care

BUNDLED PAYMENTS CAN REPRESENT A RANGE OF EPISODES DEPENDING ON HOW THE EPISODE IS DEFINED

Hospital Inpatient Bundle (e.g., DRG)

Hospital

Physician

Illustrative Example: Expanded Inpatient Bundle

Hospital

Multi-Specialty Group

Post-Acute Care Facility

Illustrative Example: Outpatient Bundle

Multi-Specialty Group

Physician Administered Drugs

Primary Care Group

Pharmacy Drugs

Home Health

Lab Tests

Current bundle approaches are typically procedure-based, but payers are exploring outpatient complex-chronic condition bundles

Oncology Bundled Payment Case Study



- UHC conducted an episode payment pilot program between October 2009 and December 2012 that covered 810 cancer patients with **breast, colon and lung cancer** and examined the difference in cost before and after implementation of the bundled payment.
- Treatment regimens evaluated based on the number of ER visits, incidence of complications, side effects, and health outcomes to determine which treatment regimens are most effective.
- Program aims to uncover best practices and identify and reduce unnecessary drug administration that does not improve the patient's health outcomes.
- The upfront fee to the oncologists covers the standard treatment period, which is typically six to 12 months. In cases of cancer recurrence, the bundled payments will be renewed every four months during the course of the disease, allowing the doctor to continue overseeing his or her patient's care even if drug therapy is no longer effective.



- This approach is designed to reward oncologists at current levels for patient care while simultaneously severing the link between drug selection and income. Physicians can increase the episode payment by improving their results. Improving their patients' survival or decreasing the total cost of care from one year to the next will trigger UHC to increase the episode payment.
- The total cost of medical care for patients in the study was \$64.76 million, a 34 percent reduction in medical costs for a savings of \$33.36 million. The cost of chemotherapy medications, however, was \$13.46 million higher for the episode group than for the control group, but the tested pilot model still produced the 34 percent overall costs savings.
- Bundled payments included a clinical pathway component, but the providers could choose their own pathway to adhere to.

Stakeholder
Views



- Stakeholder perspective has been largely neutral although some scrutiny due to the perspective that this approach may undermine medical home models.

Bundled Payment: Patient Experience Examples

PATIENT EXPERIENCE AND IMPACT WILL BE DRIVEN BY TYPE OF BUNDLE

Transition should be seamless

Receive better post discharge planning

Continue to be able to see any willing provider

Disruption in therapy or access to high-cost, innovative treatments

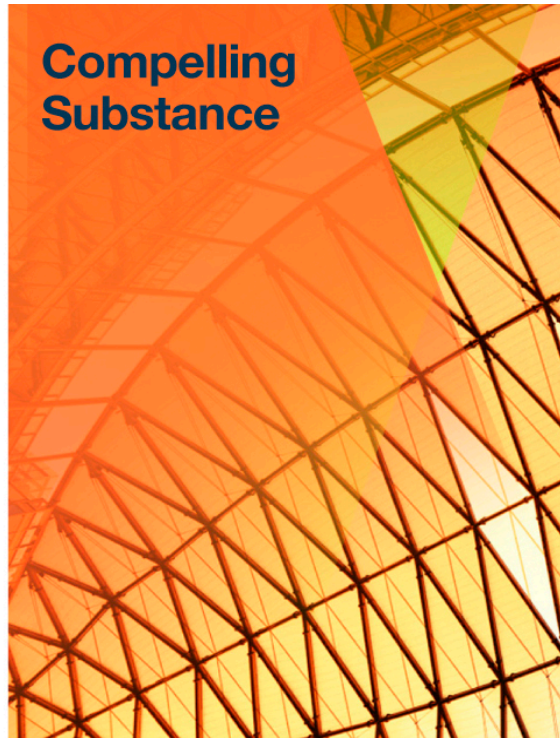
May be transitioned to a less expensive setting of care or discharged earlier



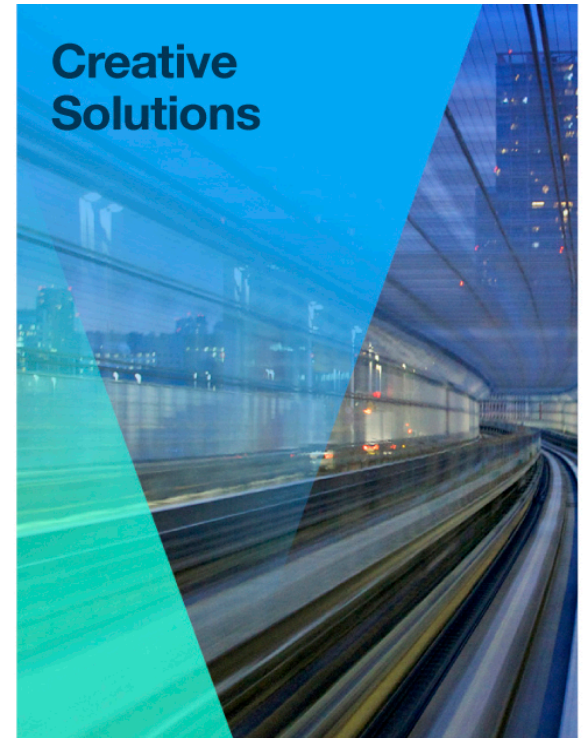
Discussion/Questions



**Comprehensive
Perspective**



**Compelling
Substance**



**Creative
Solutions**

For More Information Contact:

Lauren Barnes

Senior Vice President

LBarnes@Avalere.com

202.207.3466



Agenda

10:00am **Opening Remarks**

10:15am **Newest Trends in Payment Reform**

11:00am Panel Discussion: New Care Delivery Models

12:00pm **Lunch**

12:15pm **Election Results & the Future of Oncology**

1:15pm **Panel Discussion**

Cancer Treatment Coverage through Guidelines & Pathways

2:00pm **Facilitated Discussion: Implications for Patients & Advocates**

3:15pm **Closing Remarks**

Panel Discussion

New Care Delivery Models

Moderator: Lauren Barnes, Senior Vice President,
Avalere Health

Marc Boutin

Executive Vice President & COO, National Health Council

Dr. Deborah Kamin

Senior Director, American Society Clinical Oncology

Dr. Heidi Schumacher

Program Lead, Center for Medicare and Medicaid Innovation

Susan Tofani

Director, Payer & Network Relations, Oncology Management Services

Agenda

10:00am **Opening Remarks**

10:15am **Newest Trends in Payment Reform**

11:00am **Panel Discussion: New Care Delivery Models**

12:00pm Lunch

12:15pm **Election Results & the Future of Oncology**

1:15pm **Panel Discussion**

Cancer Treatment Coverage through Guidelines & Pathways

2:00pm **Facilitated Discussion: Implications for Patients & Advocates**

3:15pm **Closing Remarks**

ELECTIONS RESULTS AND THE FUTURE OF ONCOLOGY

Steve Northrup

November 19, 2014

- 2014 mid-term election results
 - Senate
 - House
 - Look ahead to 2016
- Impact on process and policy
 - Budgetary implications
 - Affordable Care Act
 - Medicare
 - Medical research funding
 - Regulatory implications
 - FDA
- Role of cancer advocates in shaping policy

Agenda

10:00am **Opening Remarks**

10:15am **Newest Trends in Payment Reform**

11:00am **Panel Discussion: New Care Delivery Models**

12:00pm **Lunch**

12:15pm **Election Results & the Future of Oncology**

1:15pm Panel Discussion

Cancer Treatment Coverage through Guidelines & Pathways

2:00pm **Facilitated Discussion: Implications for Patients & Advocates**

3:15pm **Closing Remarks**

Panel Discussion

Cancer Treatment Coverage through Guidelines and Pathways

Moderator: Brian Rosen, LLS

Ted Okon

Executive Director, Community Oncology Alliance

Dr. Ira Klein

National Medical Director, Aetna

Dr. Robert Carlson

CEO, National Comprehensive Cancer Network

Agenda

10:00am **Opening Remarks**

10:15am **Newest Trends in Payment Reform**

11:00am **Panel Discussion: New Care Delivery Models**

12:00pm **Lunch**

12:15pm **Election Results & the Future of Oncology**

1:15pm **Panel Discussion**

Cancer Treatment Coverage through Guidelines & Pathways

2:00pm Facilitated Discussion: Implications for Patients & Advocates

3:15pm **Closing Remarks**

Facilitated Discussion

Implications for Patients and Advocates

Moderator:

Linda House, VP External Affairs
Cancer Support Community

- Takeaways?
- Ongoing activities?
- Next steps?

Closing Remarks

Please complete your evaluations.

Thank you for attending!