# *Innovation in Physician Payment and Organization for Cancer Care*

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# Current Oncology Care Model Unsustainable

**High Cost & Trend**

- U.S. spending on cancer increased from $27B to $90B since 1990
- $25-30 avg. Commercial PMPM & $80-90 avg. Medicare PMPM
- Total cost trend estimated at 15%
- Drug costs PMPY expected to rise 24% year over year

**Variation & Waste**

- Variation in mortality after complex cancer surgeries ranges from 5-20% across hospitals
- 20-fold variation in cost for equally effective treatments
- 90% of CSF use not consistent with national guidelines

**Inadequate Patient Support**

- <40% members with cancer enrolled in hospice prior to death
- 1 in 3 members with cancer admitted to ICU in the last month of life
- One-third of patients receiving chemotherapy are admitted to the hospital during therapy

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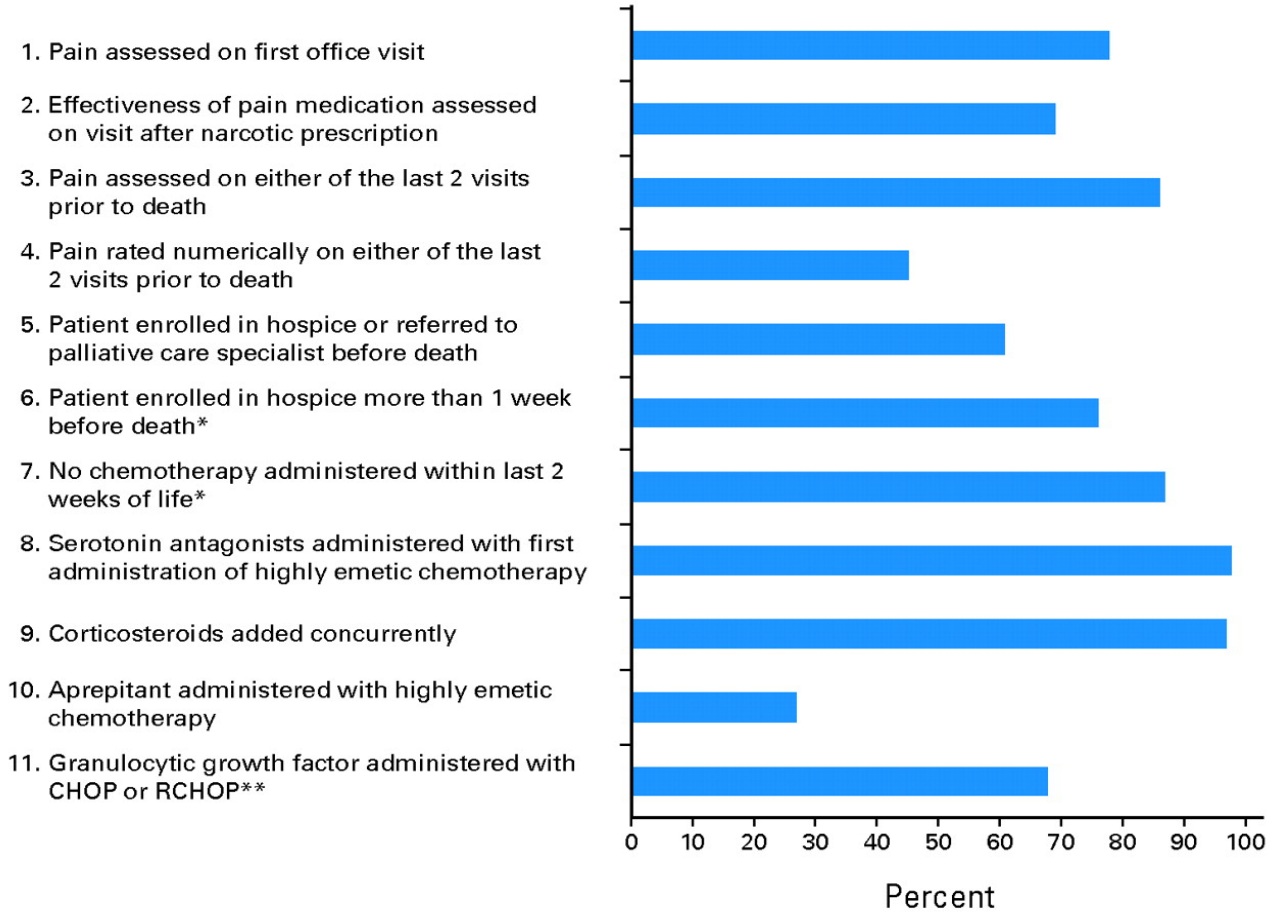
*Data Sources: ASCO,; Elkin 2010,;Hassett 2011; National Cancer Institute, Express Scripts 2009 Drug Trend Report, April. Drug revenue reference: Benchmark 2007 MGMA Oncology Survey. Anthem data*

# Many gaps in quality of symptom management and supportive care

## *ASCO Quality Oncology Practice Initiative (QOPI)*




*McNiff K K et al. JCO 2008;26:3832-3837*

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# Unmanaged symptoms during treatment and end of life lead to admissions and higher cost of care

| **Active treatment** | |
|---|---|
| Admissions within 30 days of cancer surgery | 34% |
| Admissions with chemotherapy + radiation | 51% |
| Admissions with chemotherapy | 28% |
| **End of Life** | |
| Received chemotherapy in 4 weeks prior to death | 8% |
| Admitted to hospital in 4 weeks prior to death | 53% |
| Admitted to ICU in 4 weeks prior to death | 30% |
| No Rx for an opiate in 84 days prior to death | 64% |
| Not enrolled in hospice prior to death | 64% |

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## Challenge

- Cancer care is complex and expensive
- Requires coordination of care among multiple specialists and attention to psychosocial distress of patients with life-threatening illness
- Payment models for office-infused drugs do change utilization – impact on cost and quality not known
- Cost to payer varies tremendously by site of care
- No simple fixes – and any change in reimbursement policy can have unintended consequences

## Anthem's Approach

- Oncology Medical Home Pilot
- Support community oncology practices
- Treatment planning for episode of care

# Oncology Medical Home: 3 Key Components

## Adherence to Treatment Pathways

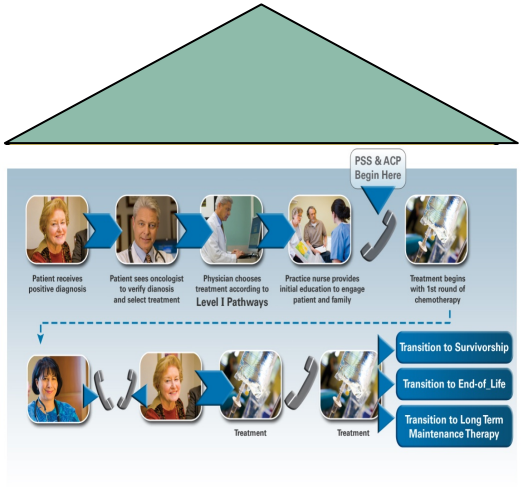
- Among NCCN regimens, practice pre-specifies cost-effective choice for chemo and supportive care
- Committed to using USON Level 1 Pathways where appropriate

## Coordination of Care and Disease Management

- Document comprehensive treatment plan and coordinate care with other specialists
- Proactive telephone support by Oncology RNs
- Evaluate acute events in office instead of sending to ER
- Reporting of metrics to track process and outcomes
  - ✓QOPI Quality measures
  - ✓Admissions and ER visits

## End of Life Care

- Advanced directives
- Referral to hospice

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# Payment for Oncology Medical Home

## Original intent was to reimburse for treatment planning and care coordination using a new S-Code

- Fee for each new treatment plan
- Monthly fee for case management

## Delay associated with obtaining and implementing the new S-Code in claims system necessitated a modification to this approach

- Actuaries estimated revenue to practice anticipated from S-Code fees
- New contract executed with 25% increase in reimbursement, including E&M and drugs

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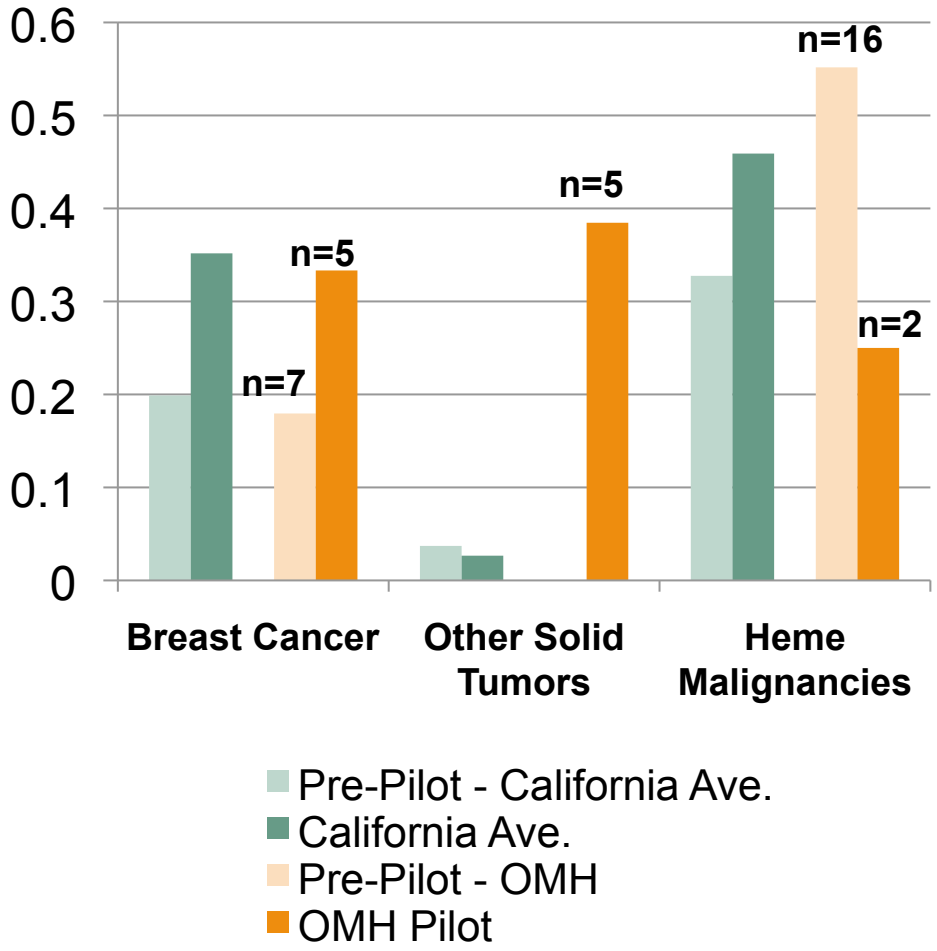
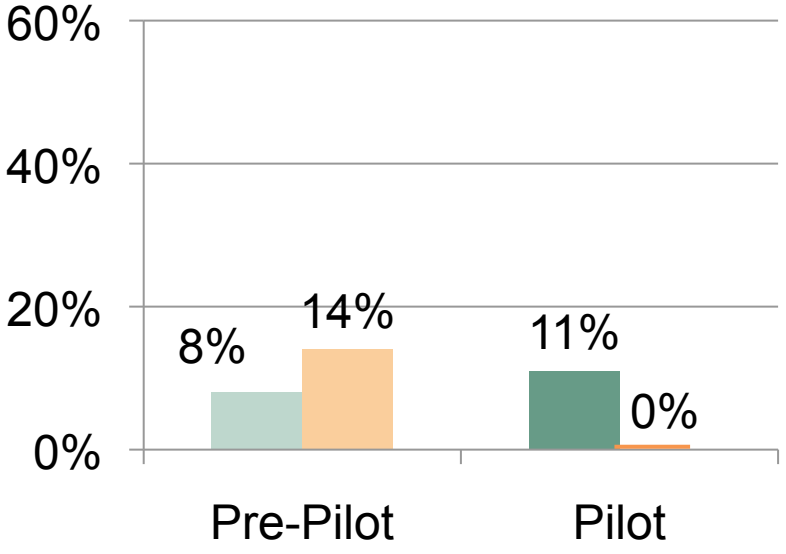
*Preliminary Data*

# Colony Stimulation Factor Utilization – mixed results

## CSF Usage per chemotherapy episode




## % patients with metastatic solid tumors who received CSF




**Marked decreased in use in patients with metastatic disease where ASCO recommends against CSF**

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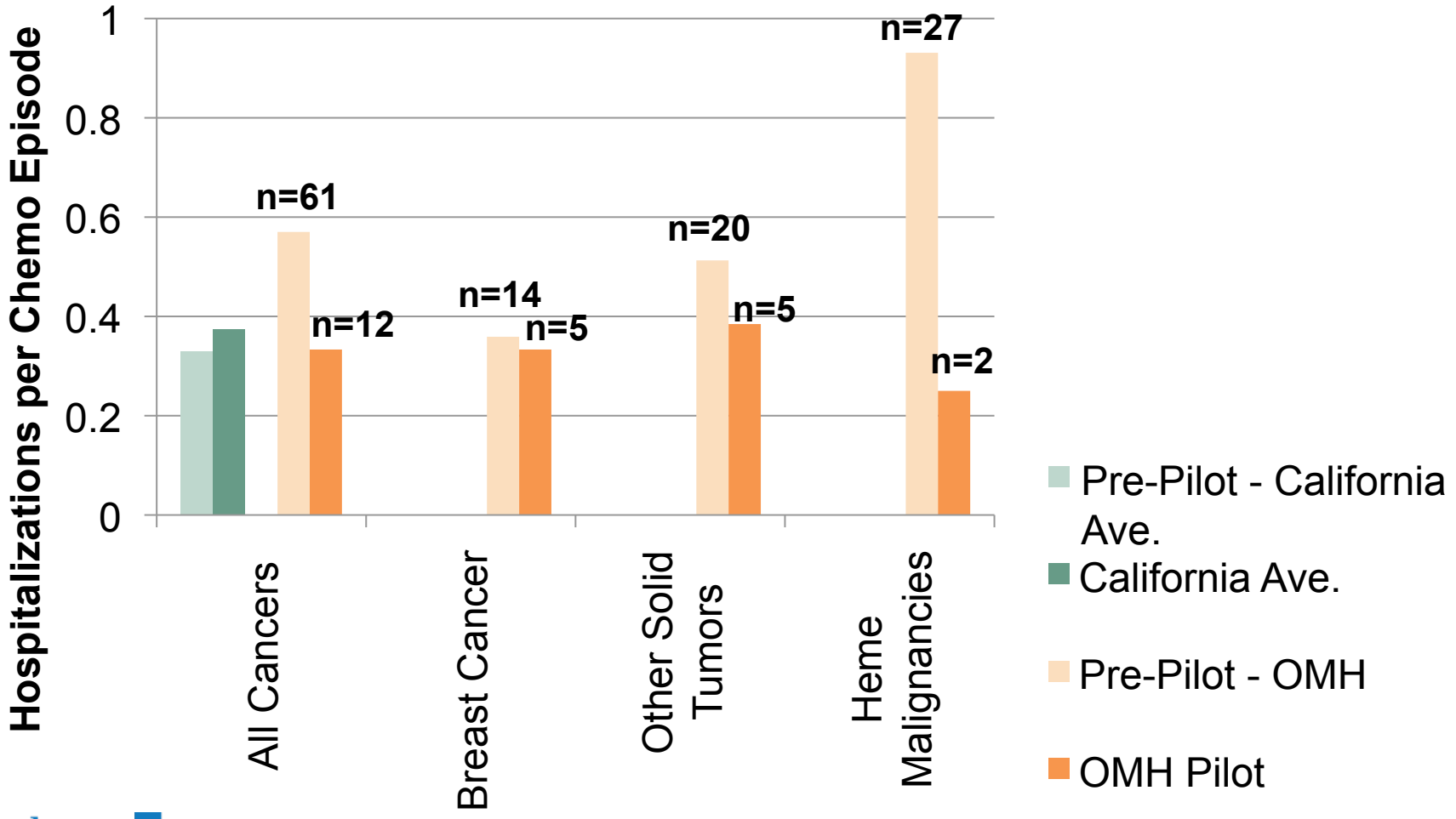
*Preliminary Data*

## Trend suggests decrease in related hospital admissions

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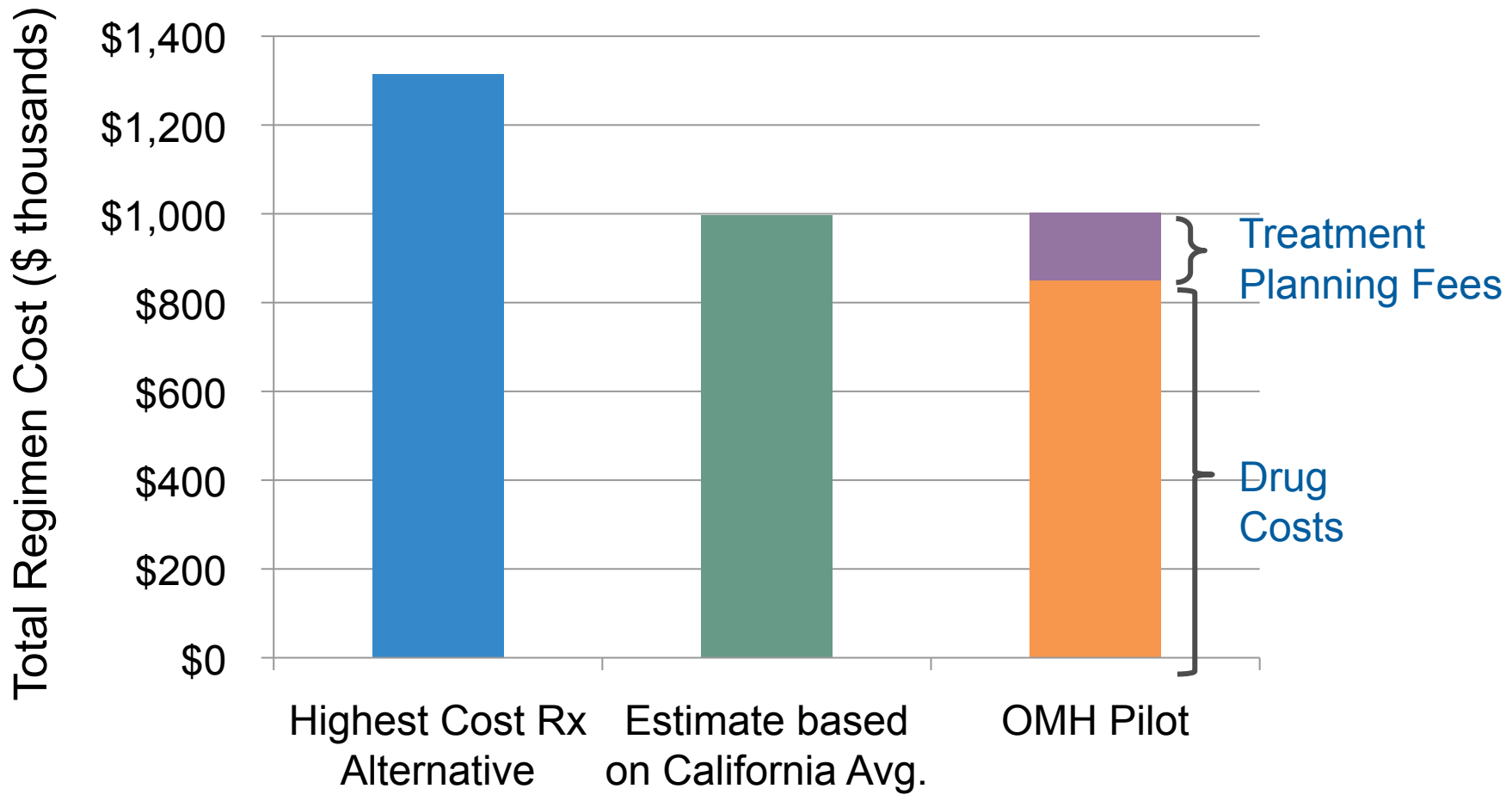
# Savings Associated with Treatment Pathways Offset Increase in Treatment Planning Fees

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# Lessons Learned from Oncology Medical Home Pilot

## Change takes time

- Collaborative approach needed to support and nurture new care delivery models

## Substantial resources required from both health plan and practice

- Develop and refine metrics
- Actuarial and financial analyses
- Quarterly in person meetings to review data + additional meetings to collaborate, develop protocols and tools, quality improvement

## Small numbers of patients in the practice also enrolled in health plan present challenges to assessing impact on ER visits and hospitalizations

- Standardized data across practices needed in order to have a benchmark – but only a proportion of practice's patients are health plan members
- Need process measures to track/audit Care Management

## Need to determine critical elements of the Oncology Medical Home to impact patient outcomes and in order to determine ROI and implement in other practices/scale

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# How to Scale?

- **Support community oncology practices**
  - Increase chemotherapy administration fees
  - Increase practice margin on lower cost generic drugs
- **Treatment planning for episode of care**
  - Pre-authorization of an episode of care
  - Additional authorization for S-code when treatment plan is on pathway
- **Continue to develop Oncology Medical Home**
  - Develop tools and metrics to be able to scale Care Coordination and End of Life Care

# Increase practice reimbursement for unprofitable lower cost generic drugs

| Code | Drug |
|---|---|
| J9265 | Taxol |
| J9206 | Irinotecan |
| J9045 | Carboplatin |
| J9000 | Doxorubicin HCl |
| J9190 | 5-FU |
| J9070 | Cyclophosphamide Inj |
| J9370 | Vincristine Sulfate |
| J9360 | Navelbine |
| J1625/26 | Granisetron |
| J2405 | Ondansetron |

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# Implementation of new evidence-based decision-support tool to streamline approval for episode of care

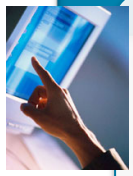
## Web Portal

- Practice submits request for episode of treatment via Web Portal
- Single request instead of multiple
- Direct link to Anthem medical policy and evidence-based treatment options

## Decision-Support

- Compare against evidence-based recommendations
- Data on efficacy, toxicity, and cost
- Evidence-based supportive care
- Review against Anthem medical policy
- Identify regimens that are on pathway

## Output



- Integrated with claims systems
- Immediate approval if consistent with Anthem medical policy
- Additional support for treatment planning when chemotherapy regimen is on pathway using S-code

- Phased implementation starting with radiation therapy
- Reimbursement for S-code varied with performance on quality measures and care coordination

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# Conclusions

**Align reimbursement for value and better patient outcomes in oncology**

**Shift incentives to provide care for the patient not just manage the disease**

**Preliminary data from the Anthem/Wilshire Oncology Medical Group  Oncology Medical Home Pilot suggest this model may provide the opportunity to achieve these objectives**

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# Thank you

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