

# **Survey of Reimbursement Reform Initiatives in Oncology**

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Ronald Barkley, MS, JD

Dawn Holcombe, FACMPE, MBA, ACHE

# Survey Premise

- Payors are seeking to reduce their oncology medical costs and are evaluating how to do so
- Payors are undertaking joint pilot initiatives with oncology providers and are seeking to pay for measurable outcomes
- Payors and Providers are still far apart on what the measures and related economics might be

# Survey Process

- Disseminated survey broadly during May to September 2008
- Solicited input regarding current dialogue or experience with such initiatives
- Whether initiative under development, in process or stalled/abandoned

# Survey Response

- Responses to CancerBusinessSummit.com
- N < 50 from 16 States
- Oncology medical group = 63%
- Hospital-based/affiliated = 25%
- Other = 12%

# Survey Question One

- Agree or disagree with our Premise?
- YES = 84%
- NO = 16%
- If disagree, why?

# If disagree with premise, why?

- “Agree with payors seeking, but they are saddled with an entrenched transaction processing system which cannot accommodate all the measures needed to proceed in a rules-based environment”
- “Agree & disagree – this is what they [Payors] are saying, but really it’s just another way to reduce their [financial] liability by “standardizing” treatment – anything outside the box not paid...”

# If disagree with premise, why? (continued)

- “Cancers are so unique to the individual that therapies that work with one patient may not work with another. By limiting payments for outcomes only, physicians will be limited to accepting only patients that conform with a proven profile”
- “In oncology, many times the outcome is not in your hands”

# Survey Question Two

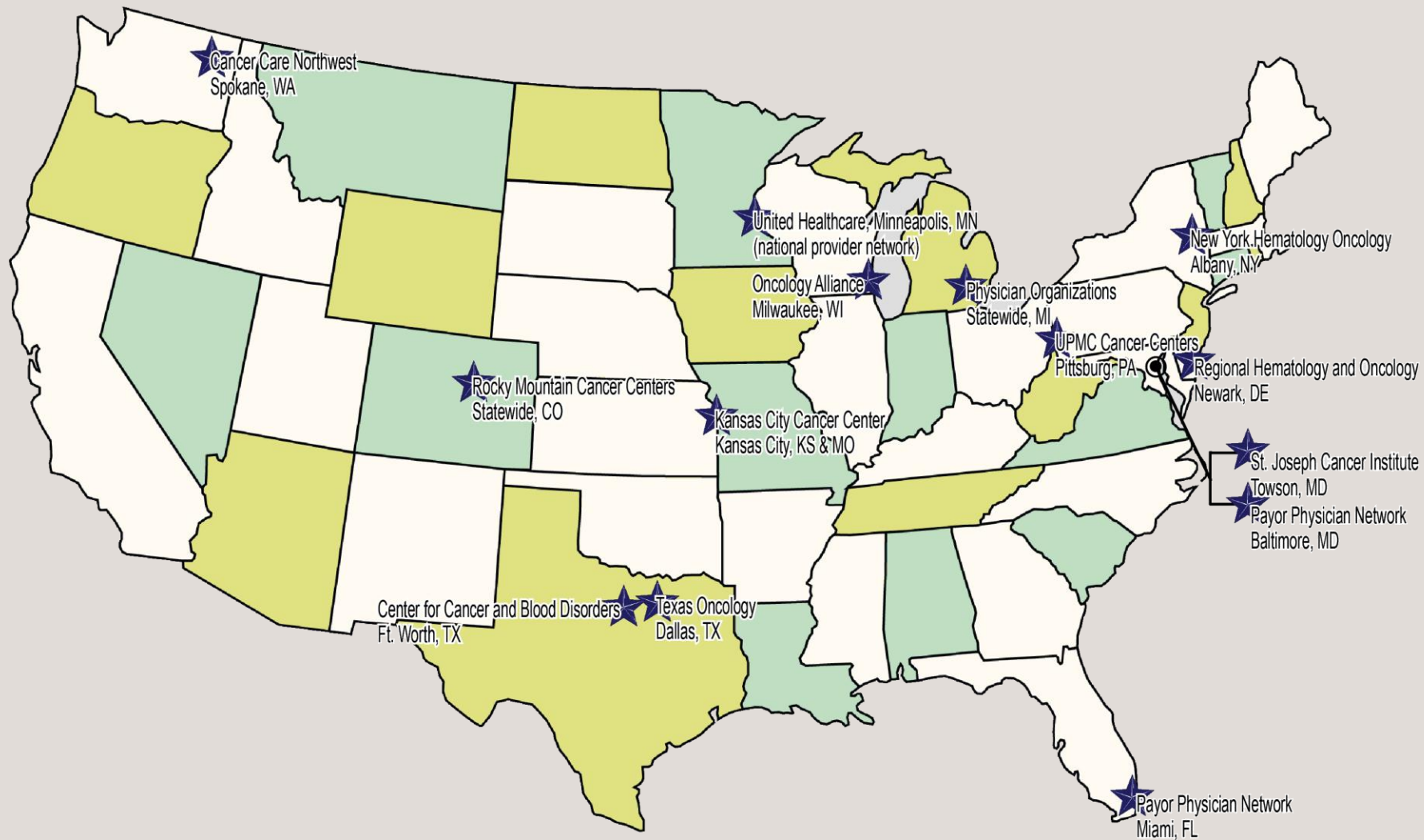
- Currently participating in an initiative?
- YES = 44%
- NO = 56%



# Survey Question Three

- If not currently participating, then anticipate so within 6 months?
- YES = 45%
- NO = 55%

# Noteworthy Initiatives



# Lessons Learned

- Predominant collaborative approach is regimen standardization (clinical pathways)
- Providers get price protection for drug and/or P4P bonus for pathway compliance
- Limited collaboration between Payors and small practices/physician orgs; need scale to deal
- Despite the above, Payors still emphasizing oncology cost control through reduced drug payment and managing use

# Noteworthy Initiatives

Provider Organization	Payor Organization	Profile of Initiative
UPMC Cancer Centers, Pittsburgh, PA	Highmark Blue Cross Blue Shield	Implement clinical pathways, 13 in total have been developed. Study for lung & breast cancer demonstrated overall cost savings. 80% pathways compliance rate. Highmark drug payment rates to UPMC maintained at historic % AWP.
Cancer Care Northwest, Spokane, WA	Premera Blue Cross	Provider-payor collaborative relationship in 5 <sup>th</sup> year. P4P and incentive payments for attaining quality measures per clinical pathways.
11 Physician Organizations Statewide, MI	Blue Cross Blue Shield of Michigan	Participating oncologists submit designated quality data to national database of ASCO as part of ASCO Quality Oncology Practice Initiative (QOPI). Blue Cross provides funding to defray provider data collection costs. Payment for submitting data and for use of such data for practice quality improvements

# Noteworthy Initiatives (continued)

<p>CareFirst Physician Network Baltimore, MD</p>	<p>CareFirst Blue Cross Blue Shield</p>	<p>Clinical Pathways developed by local MD steering committee based on ASCO and NCCN guidelines. Network compliance standards established with physician data submitted through P4 Practice Intelligence Business System (PBIS+). Payor reimburses network oncologist who are compliant with the clinical pathways at a premium rate. Pilot site for P4 Healthcare</p>
<p>Regional Hematology and Oncology, Newark, DE</p>	<p>CareFirst Blue Cross Blue Shield</p>	<p>Compliance with NCCN regimens for breast, lung, colon, as adapted by CareFirst results in practice drug paid at ASP + 27%</p>
<p>Kansas City Cancer Center, Kansas City, KS &amp; MO</p> <p>New York Oncology Hematology, Albany, NY</p> <p>Texas Oncology, Dallas, TX</p> <p>Rocky Mountain Cancer Centers, Statewide, CO</p>		<p>Provider adopts Level 1 clinical pathways. Patient care plan outreach. Survivorship Planning &amp; Advance Care Planning. Payor compensates provider for these value added services. 4 pilot-sites of Innovent Oncology</p>

# Noteworthy Initiatives (continued)

<p>Physician Networks Miami, FL</p>	<p>Two Medicare Managed Care Plans</p>	<p>Intermediary organization, New Century Infusion Solutions (NCIS), assumes capitation risk for biologics and chemotherapy drugs and radiation therapy technical component for 80,000 Medicare lives of two Plans in So. FL. Providers paid at the plans historic fee-for-service rates. Prior authorizations managed by NCIS.</p>
<p>Center for Cancer and Blood Disorders Ft. Worth, TX</p>	<p>United Healthcare and Aetna</p>	<p>Exploring P4P plus share of savings resulting from practice implementation of pathways accessed through affiliation with UPMC</p>
<p>St. Joseph Cancer Institute, Towson, MD</p>	<p>Multiple Payors</p>	<p>Payors reimbursing for multiple concurrent physician visits in recognition of value of multi-disciplinary clinic approach to care</p>
<p>United Healthcare Physician Network Nationwide Minneapolis, MN</p>	<p>United Healthcare</p>	<p>United Healthcare adopts NCCN Drugs and Biologics Compendium guidelines as basis for oncologist reimbursement, effective March 2008</p>

# Further Information

For further Information on the Survey of  
Reimbursement Reform Initiatives in Oncology  
contact:

Ronald R. Barkley, MS. JD  
Cancer Center Business Development Group  
603-472-2285

[rbarkley@ccbdgroup.com](mailto:rbarkley@ccbdgroup.com)