Barbara L. McAneny, MD, MACP. FASCO

Chief executive officer at

New Mexico Oncology Hematology Consultants, Ltd.

Former President AMA

TABLE 2
IMPACT OF MEDICARE ALTERNATIVE PAYMENT MODELS ON SPENDING AND QUALITY

Alternative Payment Model	Most Recent Evaluation Year	Net Impact on Medicare Spending	Impact on Quality of Care
Independence at Home[20]	Year 5 (2016–2017)	6.7% savings	No negative impacts
Comprehensive Primary Care Initiative[21]	Final (2012-2016)	1% higher spending	No significant impact
Comprehensive Primary Care Plus[22]	Year 1 (2017)	2.6% higher spending	Small improvement in diabetes management and cancer screening measures
Bundled Payments for Care Improvement[23]	Years 1-3 (2013-2016)	1.0% higher spending	Non-significant positive and negative impacts
Comprehensive Care for Joint Replacement[24]	Years 1-2 (2016-2017)	0.5% savings	No significant impact
Comprehensive ESRD Care[25]	Years 1-2 (2015-2017)	1.2% higher spending	Reductions in hospitalizations due to complications of dialysis
Oncology Care Model[26]	Year 1 (2016)	2.9% higher spending	No significant impact
Next Generation ACO[27]	Years 1-2 (2016-2017)	0.4% higher spending	No significant impact
Medicare Shared Savings Program[28]	Year 1 (2013)	0.18% higher spending	Not evaluated
	Year 2 (2014)	0.09% higher spending	
	Year 3 (2015)	0.30% higher spending	
	Year 4 (2016)	0.05% higher spending	
	Year 5 (2017)	0.33% savings	
	Year 6 (2018)	0.67% savings	

CHQPR
CENTER FOR HEALTHCARE QUALITY AND PAYMENT REFORM

Analysis of 2017 Medicare Shared Savings Program (MSSP)

- 472 ACOs in the MSSP spent nearly $1.1 billion less than "benchmark" spending levels.
- $799 million given back to 162 of ACOs in shared savings bonuses.
- 16 Track 2 & 3 ACOs paid penalties to CMS totaling $57 million.
- Net savings for CMS: **$313.7 million on the MSSP**
- **2018: $739.4M over 548 ACOs**
- **Is this a lot of savings?**
  - Just **$36** for each of nearly 9 million ACO beneficiaries, $78 in 2018
  - Only **.33%** of total ACO spending ($95 billion)in 2017, .67% in 2018
- Downside risk: ACOs spent **$254 more** per beneficiary than upside ACOs
  even after "saving" money for Medicare

Source: Harold D. Miller, Center For Healthcare Quality & Payment Reform

COME HOME - Prior Experience

- Successfully implemented COME HOME 2012 CMMI grant award of $19.8 million
  - 7 Community Oncology Practices , 90 oncologists
- Award: $19,757,338.00 - Spent: $18,018,068.83 - Unobligated balance $1,739,269.17
- Estimated Realized savings over 3 years to CMS: **$36 million**
- NORC February 2016 report showed Overall Impact of COME HOME program Impact (quarterly basis):
  - ED visits reduced by 13 per 1,000 patients
  - Ambulatory Care Sensitive (ACS) hospitalizations reduced by 3 per 1000
  - Average Cost lowered by $612 per patient
  - Significant decreases in costs of care in last 30-180 days of life: $959 lower in last 30 days, $3,346 in last 90 days, $5,790 in last 180 days of life
  - NORC noted that the above savings were in part attributed to the use of a new decision support Triage Pathways system.

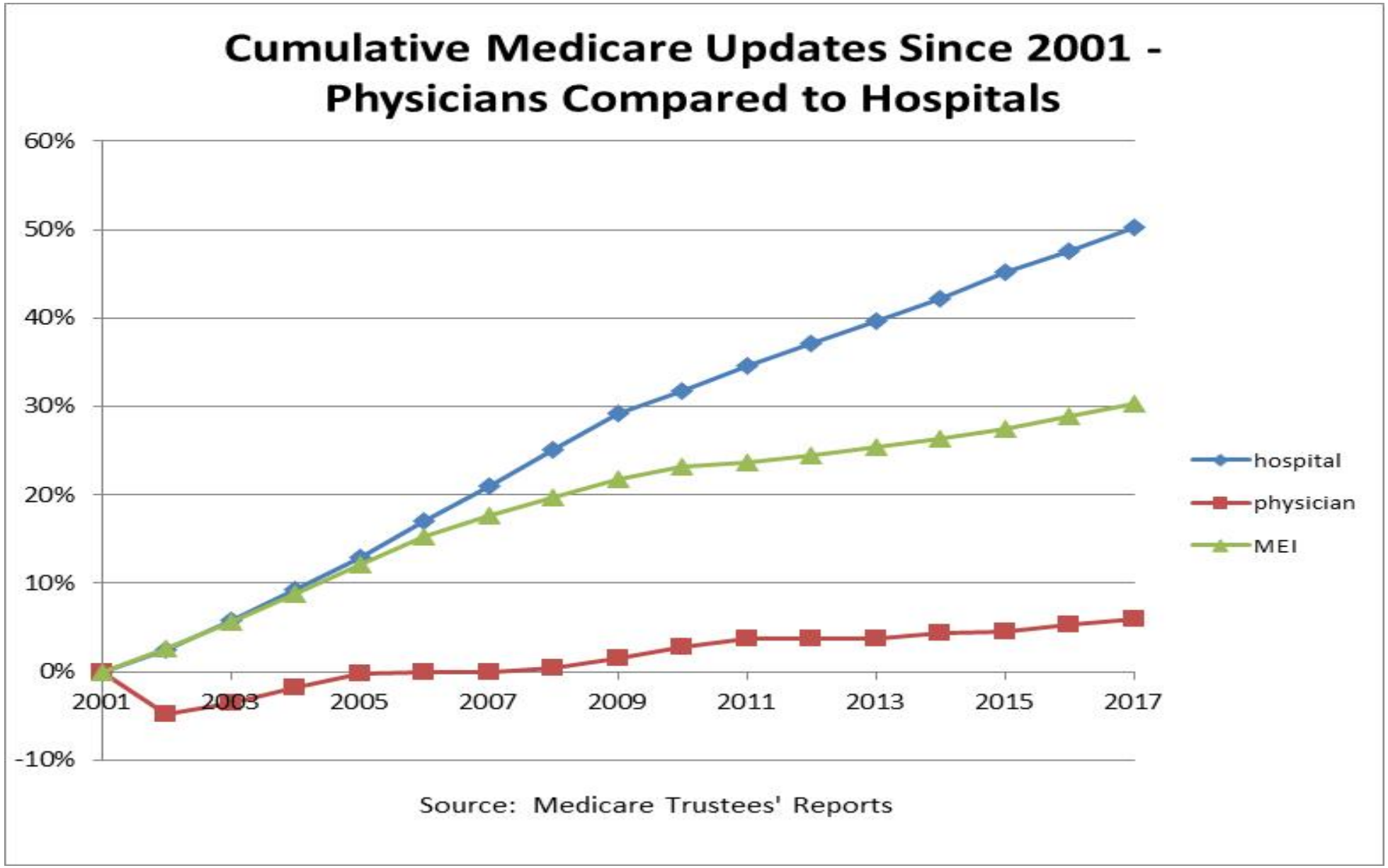
OCM: At a glance

The Good

- Improved patient care
- Earlier intervention
- Fewer hospital/emergency department visits

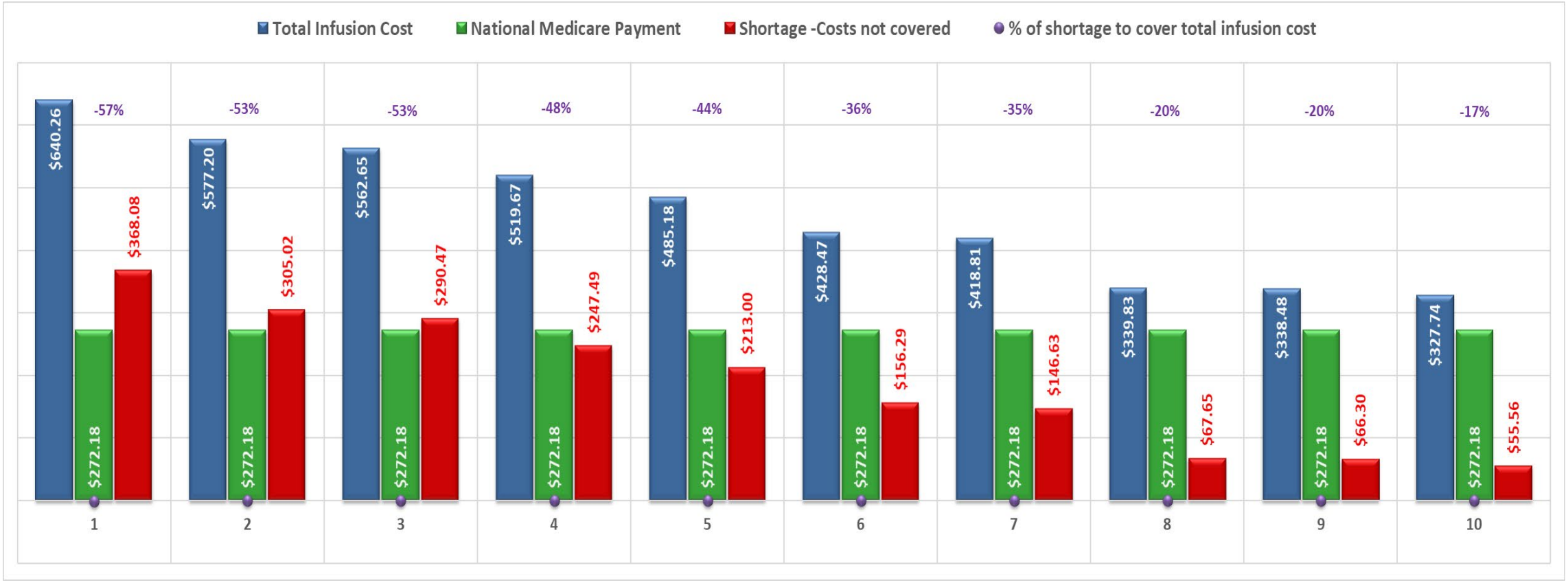
The Bad

- Documentation burdens
- EHRs lack sufficient care coordination
- Inadequate payment rates
- Lack of support for patient education, counseling, support services
- Access inequalities
- Chemo drugs inadequately reimbursed

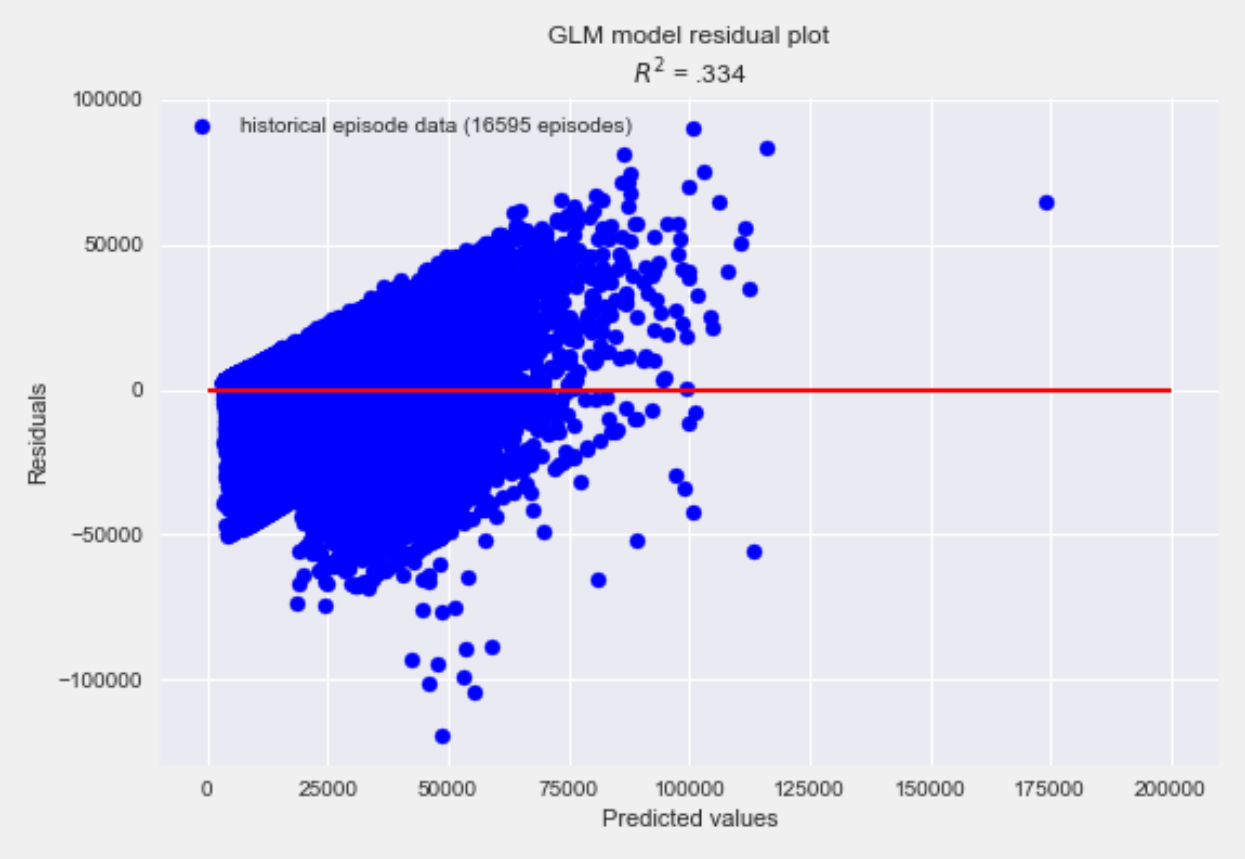

Cumulative Medicare Updates Since 2001 - Physicians Compared to Hospitals
60%
50%
40%
30%
20%
10%
0%
-10%
2001
2003
2005
2007
2009
2011
2013
2015
2017
hospital
physician
MEI
Source: Medicare Trustees' Reports

Infusion Cost Analysis and Reimbursement

- NCCA practices Time and Motion Study, Infusion



“One size fits all” approach does not work



- 16K historical episode data (2012-2015) from CMS
- Residual Value : OCM model predicted value - actual values for each historical episode
- Residual Plot: Scatter Plot of Residual vs Predicted Value
- If the points are not randomly dispersed across the red line, than a linear regression model is inappropriate. R-squared =0.334
- Time and Clinical data are not included in the model -> Residual plot not randomly dispersed around the red line.

Targets vs costs

	Patient 1	Patient 2
Baseline Price	$22,598.69	$22,598.69
Actual Expense	$9,688.51	$49,278
Age	80	82
Gender	Male	Male
Episode Duration	10/1/2014 – 3/31/2015	10/6/2014 – 4/5/2015
Home Zip Code	45365	45318

For example, two patients with pancreatic cancer show many similarities in the data OCM uses:

- Same cancer type
- Same HCC group
- Similar age
- Same gender
- Neither had surgery or radiation
- Neither was involved in clinical trial

➢ Other factors not in OCM dataset determine actual cost of care

RO APM: Patient Access &Medicare Protection act of 2015:
Close our Satellite clinic

- Site Neutrality
- Hypofractionation
- Bundled payment, half at the beginning
- 16 cancer types

- 30% of Practices without regard to sustainability
- PC drops 3.75%
- TC drops 4.75%
- Our losses are worse.

MASON uses data science, technology, and knowledge sources to win the battle with Cancer and reduce cost of care

- Patient-centric: Leverages a combination of historical clinical and financial data, combined with an extensive set of patient specific data (clinical, genetic, socio-economic, others) to help patients choose the optimal treatment plan
- Quality focused: Adherence to National Comprehensive Cancer Network (NCCN) pathways; Systems to monitoring deviation/variance to the recommended pathway
- Transparency: Leverages historical data to develop Oncology Payment Categories (OPC); uses a concept of virtual accounts to provide real-time visibility to practices, patients, and CMS
- Informed decision making: Provide additional decision support system for physicians, patients and staff
- Financial Incentive: 4% of E&M fees are at risk in the quality pool and shared savings for better performance
- 2 Sided Risk: Failure to meet the target OPC results in repayment to CMS
- Minimal disruption: Does not require modifications to existing payer or financial software systems
- Continuous Improvement: Identify non-value adding cost drivers and site-level variations
- Drugs are excluded from OPC and are paid by invoice price; thus creating visibility into pricing and discounts

Most favored nation impact

The projection is the difference between what the practice was paid for the chemotherapy under the current system, and what they will be reimbursed for the drugs under MFN. This includes a switch to biosimilars or finding an alternative therapy. Unfortunately, in oncology an alternative regimen is usually not feasible.

#	Practice Name	Projected MFN impact to a Practice Reimbursement in year one
1	Utah Cancer	(3,670,307.28)
2	New Mexico Oncology Hematology Consultants, Ltd.	(3,899,122.42)
3	HOA of Central New York	(6,276,611.00)
4	Toledo Clinic	(2,090,295.92)
5	Oncology Consultants	(2,623,439.95)
6	New England Cancer Specialists	(5,125,511.56)
7	Northwest Oncology	(5,433,023.47)
8	Pacific Cancer Care	(1,952,648.35)
9	Regional Cancer Care	(30,305,107.00)

Most favored nation impact

As you can see, significant numbers of patients are affected. Significant harm will occur to those Medicare Beneficiaries who were counting on us for lifesaving care

#	Practice Name	Medicare patients displaced from care in year one	Projected MFN impact to a Practice Reimbursement in year one
1	Utah Cancer	4,000	(3,670,307.28)
2	New Mexico Oncology Hematology Consultants, Ltd.	1,068	(3,899,122.42)
3	HOA of Central New York	768	(6,276,611.00)
4	Toledo Clinic	663	(2,090,295.92)
5	Oncology Consultants		(2,623,439.95)
6	New England Cancer Specialists		(5,125,511.56)
7	Northwest Oncology		(5,433,023.47)
8	Pacific Cancer Care		(1,952,648.35)
9	Regional Cancer Care		(30,305,107.00)

Considerations for CMMI:

- Financial risk is not causing savings
- Site of service differential will worsen if PFS is not adjusted
- ACOs are worsening consolidation
- We need to understand accurate costs for optimal care before we can set target prices or create bundles
- With accurate cost data, we should ensure that costs of care are covered with a margin