



COMMUNITY ONCOLOGY ALLIANCE

GASCO MEETING

Questions and Answers on 2012 Proposed CMS Changes

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HOSPITAL CHANGES

Hospital Highlights

- Drugs with daily package costs at \$80/day included in bundled payment. (Up from \$70 for 2011.)
- Most separately payable drugs and biologicals to ASP+4% (Down from ASP+5 for 2011)
- Continuation of the ASP+6% payment methodology for pass-through drugs and biologicals
- Increase the OPPS conversion factor to \$69.420. (Up from \$68.876 for 2011)
- CV of \$68.052 for hospitals that fail to meet Hospital Outpatient Department Quality Data Reporting Requirements (HOPDQDRP)

Hospital Highlights

- Increase in the number of quality measures for reporting in either CY 2012 or CY 2013 for purposes of the CY 2014 payment determination
- Modification to the process for validating hospital reporting of chart-abstracted measures
 - Reduction in the number of hospitals randomly selected for the validation from 800 to 450
- Establishment of criteria for selecting up to 50 additional hospitals for targeted validation of their reporting

Hospital Highlights

- And...quality reporting program for ambulatory surgical centers

(There's that "QUALITY" word again 😊)



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CLINIC CHANGES

Clinic Highlights

- If not corrected, Sustainable Growth Rate (SGR) (Conversion Factor) will be \$23.9635 – a cut of - 29.5%
- A requested review of under-valued and over-valued CPT codes.
 - Some E&M undervalued?
 - Some Infusion overvalued?
- Implementation of third year of 4-year transition to new practice expense relative value units

Clinic Highlights

- Continuation of applicable threshold percentage at 5% for widely available market price (WAMP) comparisons to average sales prices (ASP)
- Proposed substitution of 103% of Average Manufacturer's Price (AMP), for certain drugs currently paid at 106% of ASP, to drugs exceeding a price substitution threshold in 2 consecutive quarters or 3 of the preceding 4 quarters, and only if the substituted price was lower than the calculated price using 106% of ASP for the target quarter

(Say that 3 times real fast. 😊)

Clinic Highlights

- Extension of the multiple procedure payment reduction (MPPR) policy to the professional component (PC) of advanced imaging services (eg, computed tomography scans, magnetic resonance imaging, and ultrasound)
 - 50% reduction
 - Same patient, same day, same session
- Addition of smoking-cessation counseling to the list of tele-health services

The Collision of Cuts

- Published cuts in services = “0% to 8%”
- Published cuts to SGR = 29.5%
- “Stealth” cuts from GPCI changes
- 2% across-the-board cuts to everything if the “Super Committee” does not have accepted solutions
 - Services
 - Drugs

2012 Physician Fee Schedule

- Infusion room services – advertised as 0% change BUT calculates to be a 5% cut
- “Stealth” GPCI cuts
 - As high as 15%
 - 63 of 90 with cuts
 - Average cut of 1.7%
- Diagnostic imaging – Advertised as 8% cut BUT calculates to be 11% cut
- Radiation therapy – Advertised as 4% cut BUT calculates to be a 6.5% cut
- Advertised slight increase in E&M codes – Advertised as 1% increase BUT calculates to be a 1.1% cut

All of the above assumes the SGR is fixed.

Understanding Medicare RVUs & Fees

$$[(RVU \text{ work} \times GPCI \text{ work}) + (RVU \text{ PE} \times GPCI \text{ PE}) + (RVU \text{ Malpractice} \times GPCI \text{ Malpractice})] \times CF$$

RVU = Each CPT code has assigned weights for WORK, PRACTICE EXPENSE, MALPRACTICE

GPCI = Geographic Practice Cost Index (90 designations)

CF = Conversion Factor (Analogous to the Sustainable Growth Rate)

99215 for Georgia (Atlanta)

Without GPCI & SGR Fixed

$$[(2.11) + (1.85) + (0.14)] \times \$33.9764 = \$139.30$$

With GPCI & SGR Fixed

$$[(2.11 \times 1.002) + (1.85 \times 1.014) + (0.14 \times 0.949)] \times \$33.9764 = \$140.08$$

Without GPCI & SGR NOT Fixed

$$[(2.11) + (1.85) + (0.14)] \times \$23.9635 = \$98.25$$

With GPCI & SGR Not Fixed

$$[(2.11 \times 1.002) + (1.85 \times 1.014) + (0.14 \times 0.949)] \times \$23.9635 = \$98.90$$

With GPCI & SGR Fixed & Additional 2% cut

$$\{[(2.11 \times 1.002) + (1.85 \times 1.014) + (0.14 \times 0.949)] \times \$33.9764\} \times 0.98 = \$137.28$$

		National Averages - Assuming all payers pay like Medicare						
		SFR Fixed No GPCI	SGR Fixed With GPCI	SGR Fixed W/GPCI W Addtl 2% cut	SGR NOT Fixed No GPCI	SGR NOT Fixed With GPCI	SGR Not Fixed W/GPCI W Addtl 2% cut	
E&M Totals	%	1.0%	-1.1%	-3.0%	-28.8%	-30.2%	-31.6%	
	Avg \$ per office	29,623	(31,280)	(89,799)	(859,791)	(893,554)	(934,826)	
	Avg \$ per provider	3,719	(3,927)	(11,272)	(107,929)	(112,167)	(117,348)	
Infusion Totals	%	-2.4%	-5.0%	-6.9%	-31.2%	-33.0%	-34.3%	
	Avg \$ per office	(53,361)	(107,183)	(147,816)	(681,538)	(705,912)	(734,570)	
	Avg \$ per provider	(6,698)	(13,455)	(18,555)	(85,553)	(88,613)	(92,210)	
Imaging Totals	%	-7.7%	-11.1%	-12.9%	-34.9%	-37.3%	-38.6%	
	Avg \$ per office	(241,837)	(331,699)	(384,826)	(1,091,069)	(1,114,523)	(1,151,993)	
	Avg \$ per provider	(17,637)	(24,191)	(28,066)	(79,573)	(81,284)	(84,016)	
Radiation Totals	%	-4.0%	-6.4%	-8.3%	-32.3%	-34.0%	-35.3%	
	Avg \$ per office	(241,506)	(371,614)	(479,606)	(1,928,831)	(1,962,881)	(2,039,047)	
	Avg \$ per provider	(84,853)	(130,567)	(168,510)	(677,697)	(689,661)	(716,422)	

Debt Solution “Super Committee”

- Super committee made up of 12 members of Congress
 - House — 3 Republicans, 3 Democrats
 - Senate — 3 Republicans, 3 Democrats
- Tasked with finding \$1.2-1.5 trillion in spending cuts before Thanksgiving congressional recess
- If committee cannot agree or agrees and Congress cannot pass legislation before 12/23, automatic spending cuts go into effect
 - Includes 2% Medicare cut – services and drugs
 - Will impact oncology services and drugs
 - Drug reimbursement would be ASP + 3.9%

Super Committee as of 08/11

Republicans

Senator Pat Toomey R-PA
Senator Jon Kyl R-AZ
Senator Rob Portman R-OH

Rep Jeb Hensarling R-TX
Rep Dave Camp R-MI
Rep Fred Upton R-MI

Democrats

Senator Patty Murray D-WA
Senator John Kerry D-MA
Senator Max Baucus D-MT

Rep James Clyburn. D-SC
Rep Xavier Becerra. D-CA
Rep Chris VanHollen D-MD

Additional 2% Cut also includes Drugs

ASP + 6% becomes ASP + 3.88%
(2% off of Total Allowable)



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ACTION ITEMS

Take Action

- Complete 2012 Impact Model
 - At www.communityoncology.org
- Email House and Senate Health Aids and ask them to *Stop Cancer Care Cuts*
 - E&M
 - Infusion
 - Imaging
 - Radiation oncology
 - ASP
 - GPCI
 - SGR and other

Take Action - continued

- Create media awareness in Georgia about cancer care cuts and how they are increasing total costs
 - COA PR firm can help
- Create cancer community awareness in Georgia about the cuts to cancer care
 - “Like” Facebook page on the cuts
 - www.facebook.com/StopCancerCareCuts
- Include drug shortage issues in discussions
- Involvement in the COA Patient Advocacy Network
- Become familiar with Medical Home concepts
- Ask COA for help as needed



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QUESTIONS

Thank You!

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New COA Websites sites:

www.communityoncology.org (COA & CAN)

www.COAdvocacy.org (CPAN)

www.facebook.com/CommunityOncologyAlliance