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Profitability & Oncology Medical Homes –

Making the Connection

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What is a Patient Centered Medical Home ?

- A person or health care team that provides patient-centered, proactive, continuous and coordinated care for a defined period of time.
- Key attributes
 - Crosses traditional specialty boundaries
 - Addresses prevention, treatment and end-of-life issues
 - Not solely reactive and visit-driven
 - Connecting patients/families with community & social supports
 - Includes traditionally non-billable services
 - Typically includes some reimbursement in addition to or replacing fee for service (episode based, bundled, case management payment)

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Goals of a Medical Home

- Decrease cost
- Increase quality (decrease complications, ED visits, hospitalizations; increase use of evidence-based medicine)
- Increase patient and caregiver satisfaction

"...shown to improve patient care, patient outcomes (less emergency dept. and hospital admissions), patient satisfaction, and with substantial cost savings to the payers." (2015 ASCO Educ. Book)

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Goals of Medical Home

Decrease costs

Increase satisfaction

Increase quality

Increase use of evidence-based medicine



~Cartoon: Ziegler, New Yorker, 2007

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Medical Homes and Accountable Care Organizations (ACOs)

- ACOs are accountable for the full range of health services
- Traditionally primary care medical homes are seen as a lynchpin of ACO success
- Now seeing that model works for select disease types

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Payers & Oncology Medical Homes

- Accelerated by Affordable Care Act of 2010
- Medicare – By 2018, 50% of payments to be tied to quality or value by alternative payment systems
 - CMMI innovation projects
- Private Payers
 - Anthem
 - Aetna
 - United

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Definition of profitability

Profitability occurs when an oncology medical home, if successful at achieving established goals, not only covers the cost of the additional services but sees a positive benefit from the extra effort.

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A 4-prong working strategy for profitability

- Increase revenue
- Decrease expenses
- Improve your practice
 - Expand services
 - Improve quality
- Manage risk

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Finding profitability through increasing revenue

- Per case management fee
- Increased number of patients
 - identified as a 'premier' provider by a private payer
 - Patient satisfaction improves driving volume
- Bonuses due to achieving targeted cost savings
- Bonuses due to achieving quality metrics

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Finding profitability through reducing expenses

- Unit price reductions
- Frequency reductions
- Using clinical pathways
- Molecular testing efficiencies

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Finding profitability through practice improvements

- Maintaining and improving services, consider extended hours, advice lines, triage nurses, 24/7 physician with access to patient's record, patient education, following pathways rather than guidelines
- Maintaining and improving quality AND documentation of quality

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Accreditation

- NCQA (level 3 PCMH)
- Community Oncology Alliance
- ASCO Quality Oncology Practice Initiative & Certification
- American College of Surgeons Commission on Cancer Oncology Medical Home Accreditation

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Finding profitability by managing risk

- Risk in the OCM itself
 - Increased risk → Increased reward
 - Ideally take risk for what you can control directly
 - Where limited control, consider...
 - what you can stand to lose
 - what partnerships/alliances you might need to build
- Nonparticipation risk
 - lose your market position?

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CMMI's Oncology Care Model (OCM)

- Five year pilot program
- Applications due in 2015
- Decision expected shortly
- Includes providers and payers
 - Payer LOI filed that may impact GA providers: Anthem, Cigna (both directly mention GA), as well as Humana, BCBS of SC, BCBS of AL, BCBS of TN, Crestpoint of TN & South Carolina Medicaid

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CMMI's OCM – Revenue

- + Get \$160 pmpm for 'enhanced care management services' (impact of this payment volume dependent)
- + Continue getting fee for service
- + Potential quality cost effectiveness rewards
- No system for increasing Medicare patient volume
- ? Unknown how private payers joining in program may drive volume

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CMMI's OCM – Managing risk

? Financial performance incentives

? Amount (if any) depends on "practice's reduction of expenditures below a target price and their performance on quality measures" (CMMI)

✓ Expecting a minimum of 4% savings before eligible for reduction of expenditure bonus

? What are the quality measures today and how will they change over time?

– If not qualifying for incentives by end of year 3, program participation is terminated

✓ Includes ALL Part A, B and some D claims

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CMMI's OCM – Practice improvements

- Six practice requirements by end of Q1
 - ✓ 24/7 access to clinician with access to patient's med. records
 - ✓ Use of ONC-certified EHR (Stage 2)
 - ✓ Use data for quality improvement
 - ✓ Provide patient navigation
 - ✓ Document IOM care plan
 - ✓ Use therapies consistent with clinical guidelines
- ? After Q2 and beyond, what will requirements be?
- ? Practices report quarterly
- + Review CMS feedback quarterly

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CMMI's OCM – Expenses

- + No enrollment fee
- ✓ No downside risk (though in years 3 to 5 can elect to take downside risk and expected savings reduced to 2.75%)
- ? Unknown costs to participate (documentation, reporting, meeting standards....)
 - ? What will be internal costs to meet quality and savings targets? Do reporting as requested?
 - ? How will requirements change over time?
 - ? Will private payers put in new requirements?

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Conclusions:

Journeying towards Profitability

- Changing landscape
- Private payers teaming up with Medicare
- Shifting expectations

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Perspectives

Illusive, Challenging

No Cookie Cutter Approach

Coming whether you like it or not

Finding profitability is a requirement

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Oncology Medical Homes....

*The secret to getting ahead is getting started.
Mark Twain*

Jennifer Dreyfus, MBA, M. Bioethics
Senior Consultant, The Oncology Group
jennifer@theoncologygroup.com

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Resources

- The Patient Centered Medical Home in Oncology: From Concept to Reality – asco.org/edbook
- CMMI Oncology Care Model:
<https://innovation.cms.gov/initiatives/Oncology-Care/>
- Patient-Centered Oncology Payment – asco.org
- NCI-ASCO Team-based Oncology Care Initiative
- Oncology Care Delivery Reform – Carpe Diem by M. Kolodziej MD, Aetna Medical Director
- Lessons from Early Implementation of a Patient-Centered Care Model in Oncology by Manasi Tirodkar et al

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