MD Anderson's Episode-Based Payment Pilot in Head and Neck Cancer

June 4, 2015

Tracy Spinks, Program Director, Cancer Care Delivery
The University of Texas MD Anderson Cancer Center
Agenda

• Background
• Episode-Based Payment (EBP) Pilot Overview
• Measuring Value under the Pilot
• Post-Implementation Experience
MDA’s Bundled Payment Approach

• Episode-based or bundled payment
  – A single, prospective, and comprehensive payment is made for all services during a pre-defined episode of care, regardless of the actual services utilized by the patient
  
  – Transfers some portion of “risk” of patient complications and inefficient care to providers
  
  – Alternative to traditional fee-for-service reimbursement (the basis for our private payer contracts)
MDA’s Bundled Payment Roadmap

1. Establish disease priorities and the clinical team
2. Determine length and services through economic modeling
3. Define the bundle based on the treatments provided – use evidence-based guidelines
4. Identify the outcome measures that are meaningful to patients and providers
5. Find a good partner and negotiate openly and honestly
EPISODE-BASED PAYMENT (EBP) PILOT OVERVIEW
**Pilot Scope – Included Services**

### Patient Population
- Lip & Oral Cavity
- Larynx
- Oropharynx
- Salivary Gland

### Included Services *
- **Bundle:** RaTX Workup
- **FFS:** Other Covered Workup

#### Diagnosis/Workup
- **Bundle:** All Covered Services (1 yr)
- **FFS:** None

#### Treatment
- **Bundle:** None
- **FFS:** All Covered Services

#### Follow-Up/Survivorship
- **Bundle:** None
- **FFS:** All Covered Services

*Newly-diagnosed, untreated patients*

- Excludes patients with concurrent cancer, recurrent cancer, or cancer treatment in the preceding 12 months

*Bundle includes services at MD Anderson only*

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Why Start with Head and Neck?

• Lower financial risk for this population
  – Relatively low volumes, compared with breast, colon, etc.

• Highly coordinated care delivery model
  – Well-defined treatment endpoints
  – Multidisciplinary care routinely utilized
Why Start with Head and Neck?

• Committed Head and Neck Center staff
  – Center has multiple ongoing projects to coordinate care in the proposed population
    • e.g., process-mapped more than 150 services for head and neck patients
    • e.g., ongoing Continuity of Care project aimed at streamlining post-operative follow-up
Bundle Design Priorities

• Limit number of bundles to **streamline** administration

• Ensure **seamless** patient experience and **optimal** outcomes

• Physicians are “**blinded**” to patient eligibility/enrollment
  – Assign bundle after treatment plan is agreed
Bundle Design Priorities

- **Minimize disruption** to provider work flow
- Develop a methodology that is **scalable** and **replicable**
- Treat pilot as a **learning experience**
Managing “Risk Transfer” Under the Pilot

Patient Risk

• **Prospectively**—incorporate "risk adjustment" for patients with ≥ 2 comorbidities
  – Accounts for higher costs of care for more complex cases

• **Retrospectively**—include a stop-loss provision for unexpected complications

Provider Risk

• **Prospectively**—Leverage existing treatment and continuity of care pathways to standardize care

• **Retrospectively**—Near real-time financial performance and outcomes measurement to identify and mitigate unnecessary variations in care

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Key Pilot Dates

MDA Kickoff Meeting: Apr 1, 2014
Pilot Start: Nov 1, 2014
Go/No-Go Decision: June 1, 2014
Enrollment End: Oct 31, 2016 (2 years)
Pilot End: Oct 31, 2017 (3 yrs)
MEASURING VALUE UNDER THE PILOT
Measuring Value in Cancer Care

Value = health outcomes per the health dollar expended

Measuring Value in Cancer Care... *for Whom?*

- Whose outcomes? Whose costs?

**SOURCE**  Slide adapted from Dr. Tom Feeley, The University of Texas MD Anderson Cancer Center.

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Sample Patient Cost Tracking

NOT ACTUAL DATA

Cumulative Cost

$0.00

$5,000.00

$10,000.00

$15,000.00

$20,000.00

$25,000.00

$30,000.00

$35,000.00

$40,000.00

$45,000.00

Days Since Effective Start Date

0

30

60

90

120

150

180

210

240

Emergency Center & Inpatient Admission

Patient Simulated and started IMRT

Patient Simulated and started IMRT

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We Ask Your Doctors

**Getting Your Treatment**
- Seeing a doctor quickly (within 10 days)
- Starting treatment quickly (within 1 month)
- Finishing treatment on time (within 100 days)

**Complications**
- Reoperations
- Hospital length of stay
- Emergency visits
- Unexpected hospital stays
- Mortality

We Ask You

**During and After Treatment**
- Living Your Life
  - Return to your everyday routine
  - Able to work

- Quality of Life
  - Speaking
  - Swallowing
  - Dry mouth
  - Facial appearance
  - Breathing tube
  - Feeding tube

**Staying Cancer-Free**
- Overall survival
- Cancer-free survival
- Cancer-specific survival
- Cancer recurrence

**Head and Neck Outcomes**

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Sample Quality of Life Outcomes Tracking

% PATIENTS W/ DIFFICULTY RETURNING TO NORMAL
(interference composite score≥7)

% PATIENTS W/ DIFFICULTY SPEAKING
(severity rating≥7)

% PATIENTS W/ DYSPHAGIA
(severity rating≥7)

NOT ACTUAL DATA

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POST-IMPLEMENTATION EXPERIENCE
Leadership and Support

Clinical
Dr. Randy Weber, Chair, Head & Neck Surgery
Dr. Ehab Hanna, Center Medical Director, Head & Neck Center
Judy Moore, Clinical Administrative Director, Head & Neck Center

Finance
Weldon Gage, VP & CFO
Brad Gibson, AVP & Treasurer
Miriam Flores, Executive Director, Patient Business Services
Jim Incalcaterra, Director, Value Measurement & Analysis

Operational
Dr. Tom Feeley, Head, Institute for Cancer Care Innovation
Dr. Ron Walters, AVP, Med Op & Informatics
Tracy Spinks, Program Director, Cancer Care Delivery
Alexis Guzman, Project Consultant, Institute for Cancer Care Innovation
Post-Implementation Project Support

• 4 Active Teams (nearly 30 participants, 40% from Head and Neck Center)

  – Time commitment varies (<1 hr to 20 hrs/wk)

• Dedicated Project Management Team and Analytical Support
Challenges/Lessons Learned
Acknowledgements

- MD Anderson Cancer Center: Business Affairs Administration; Clinical Operations; Digital Experience; EHR Analytics & Reporting; Finance; Government Relations; Head and Neck Center; Institute for Cancer Care Innovation; Office of the EVP/Physician-in-Chief

- Harvard Business School Institute for Strategy and Competitiveness
Thank You

Contact Information

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