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

June 4, 2015

Tracy Spinks, Program Director, Cancer Care Delivery

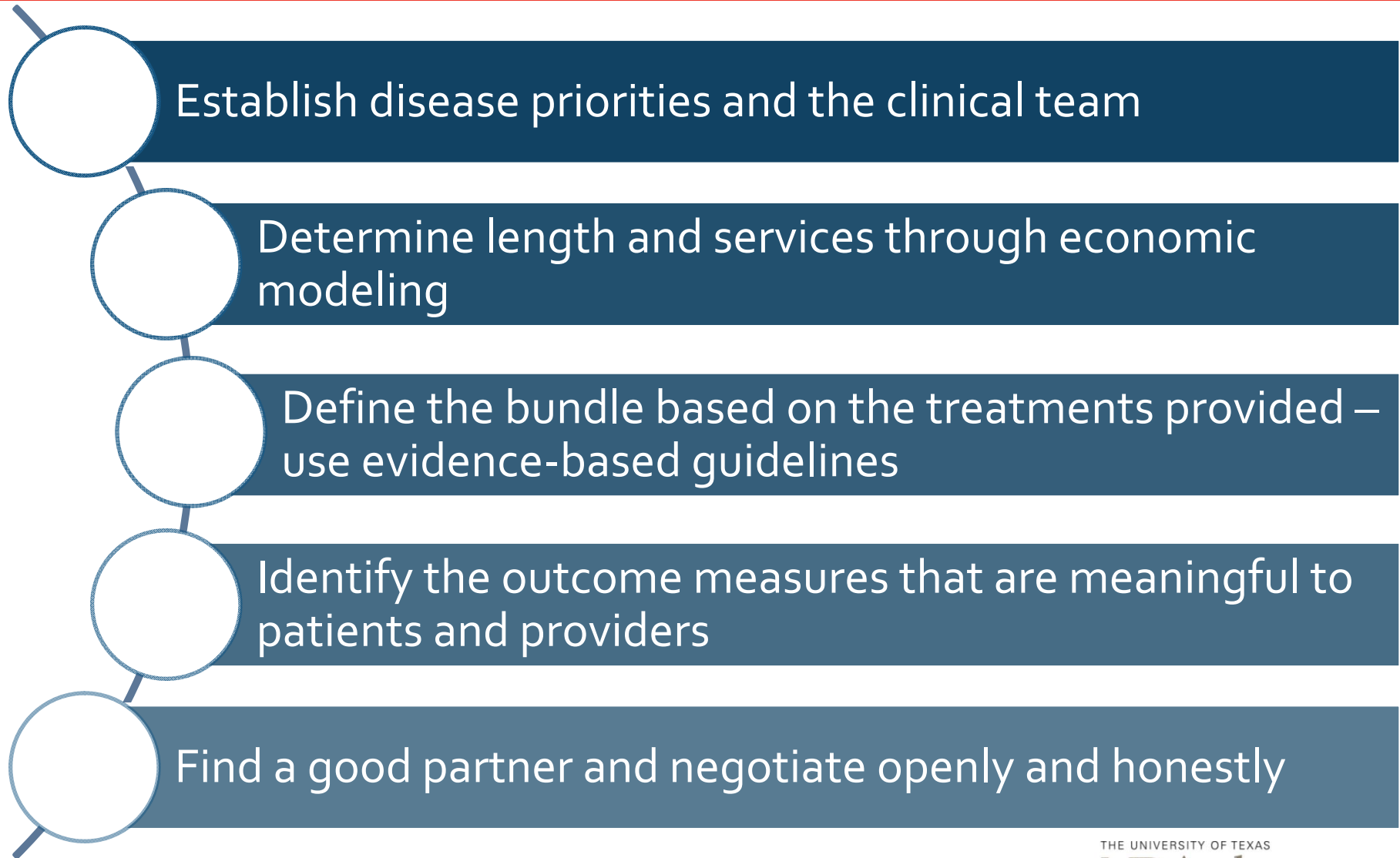The University of Texas MD Anderson Cancer Center

Agenda

- Background

- Episode-Based Payment (EBP) Pilot Overview

- Measuring Value under the Pilot

- Post-Implementation Experience

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BACKGROUND

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)

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MDA's Bundled Payment Roadmap

Establish disease priorities and the clinical team

Determine length and services through economic modeling

Define the bundle based on the treatments provided – use evidence-based guidelines

Identify the outcome measures that are meaningful to patients and providers

Find a good partner and negotiate openly and honestly

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EPISODE-BASED PAYMENT (EBP) PILOT OVERVIEW

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Pilot Scope – Included Services

Patient Population

- Lip & Oral Cavity
- Larynx
- Oropharynx
- Salivary Gland

- **Newly-diagnosed, untreated** patients
- Excludes patients with **concurrent** cancer, **recurrent** cancer, or cancer **treatment** in the preceding 12 months

Included Services *

Diagnosis/ Workup
- **Bundle:** RaTX Workup
- **FFS:** Other Covered Workup

Treatment
- **Bundle:** All Covered Services (1 yr)
- **FFS:** None

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

* 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
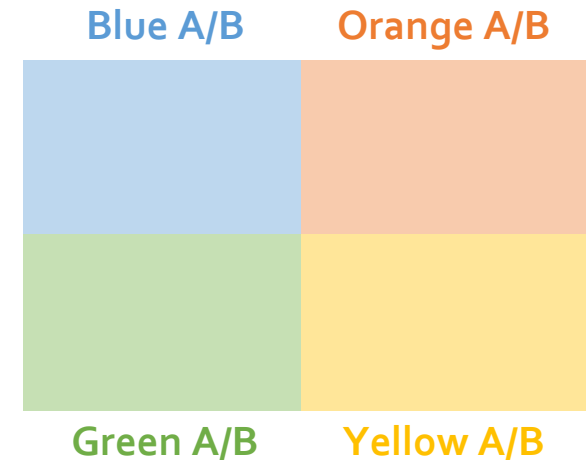 - Multidisciplinary care routinely utilized

Oncology	Inpatient Care	Ancillary Services
Surgical	ICU	Plastics
Medical	Nursing	Dental
Radiation	Respiratory Therapy	Nutrition
		Speech Pathology
		Endoscopy

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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*
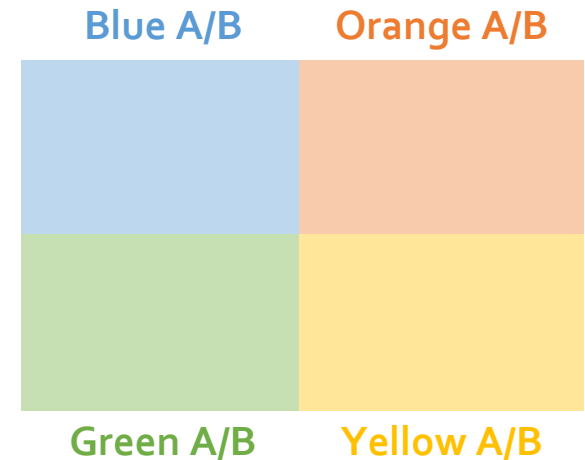
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Bundle Design Priorities

- 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

Blue A/B   Orange A/B

Green A/B   Yellow A/B

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Bundle Design Priorities

- **Minimize disruption** to provider work flow

- Develop a methodology that is **scalable** and **replicable**

- Treat pilot as a **learning experience**

Blue A/B   Orange A/B

Green A/B   Yellow A/B

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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

Pilot End:

Oct 31, 2017
(3 yrs)
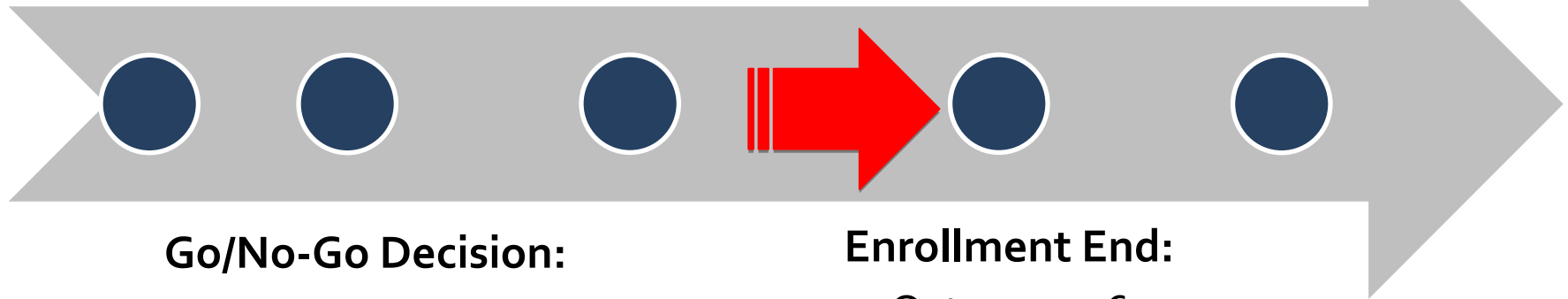
Go/No-Go Decision:

June 1, 2014

Enrollment End:

Oct 31, 2016
(2 years)

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MEASURING VALUE UNDER THE PILOT

Measuring Value in Cancer Care

Patient-Centered Outcomes of Care • **VALUE** • **Cost to Achieve Outcomes**
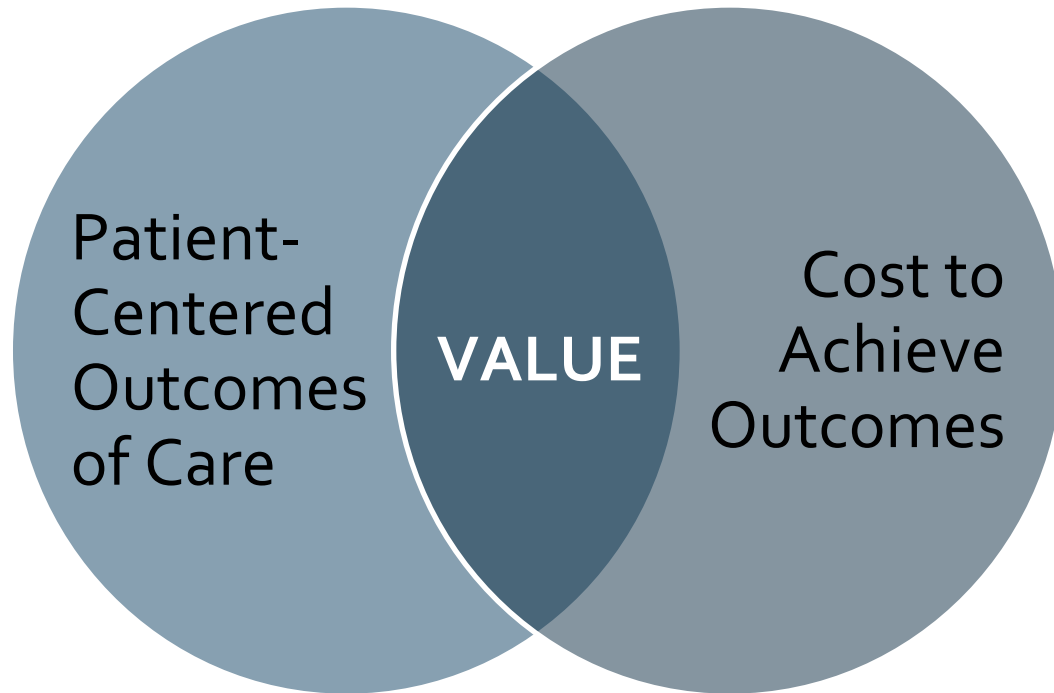
Value = health outcomes per the health dollar expended

SOURCE Porter and Teisberg, Redefining health care. Creating value-based competition on results; Harvard Business School Press, 2006. Slide courtesy of Dr. Tom Feeley, The University of Texas MD Anderson Cancer Center.

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

- *Whose outcomes? Whose costs?*
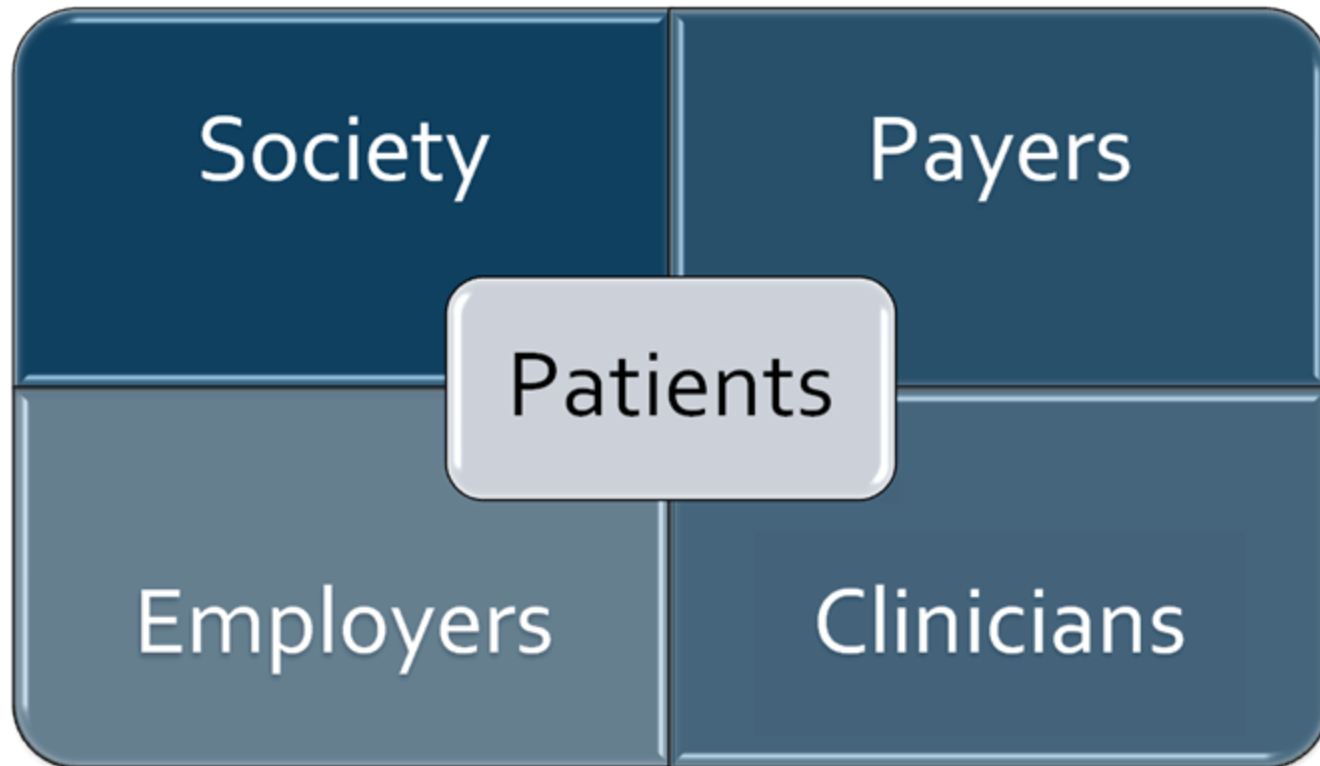
SOURCE   Slide adapted from Dr. Tom Feeley, The University of Texas MD Anderson Cancer Center.

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Patient Tracking Dashboard

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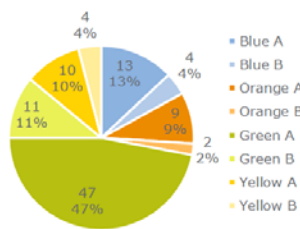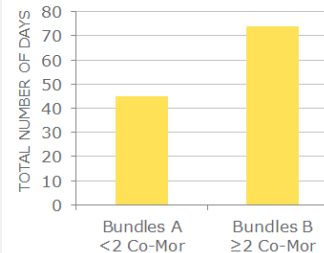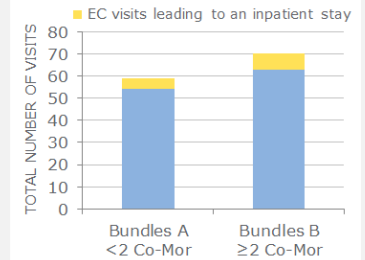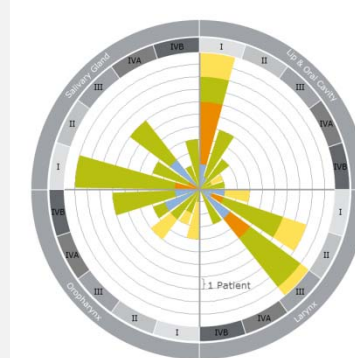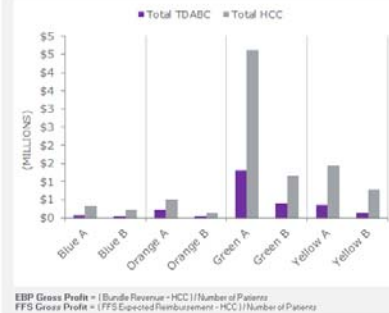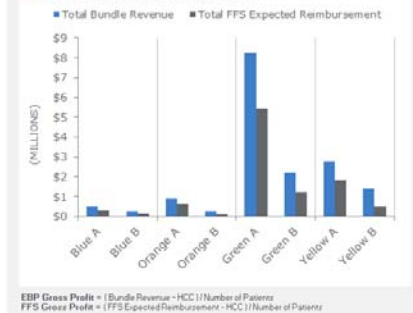
Sample Patient Cost Tracking

NOT ACTUAL DATA

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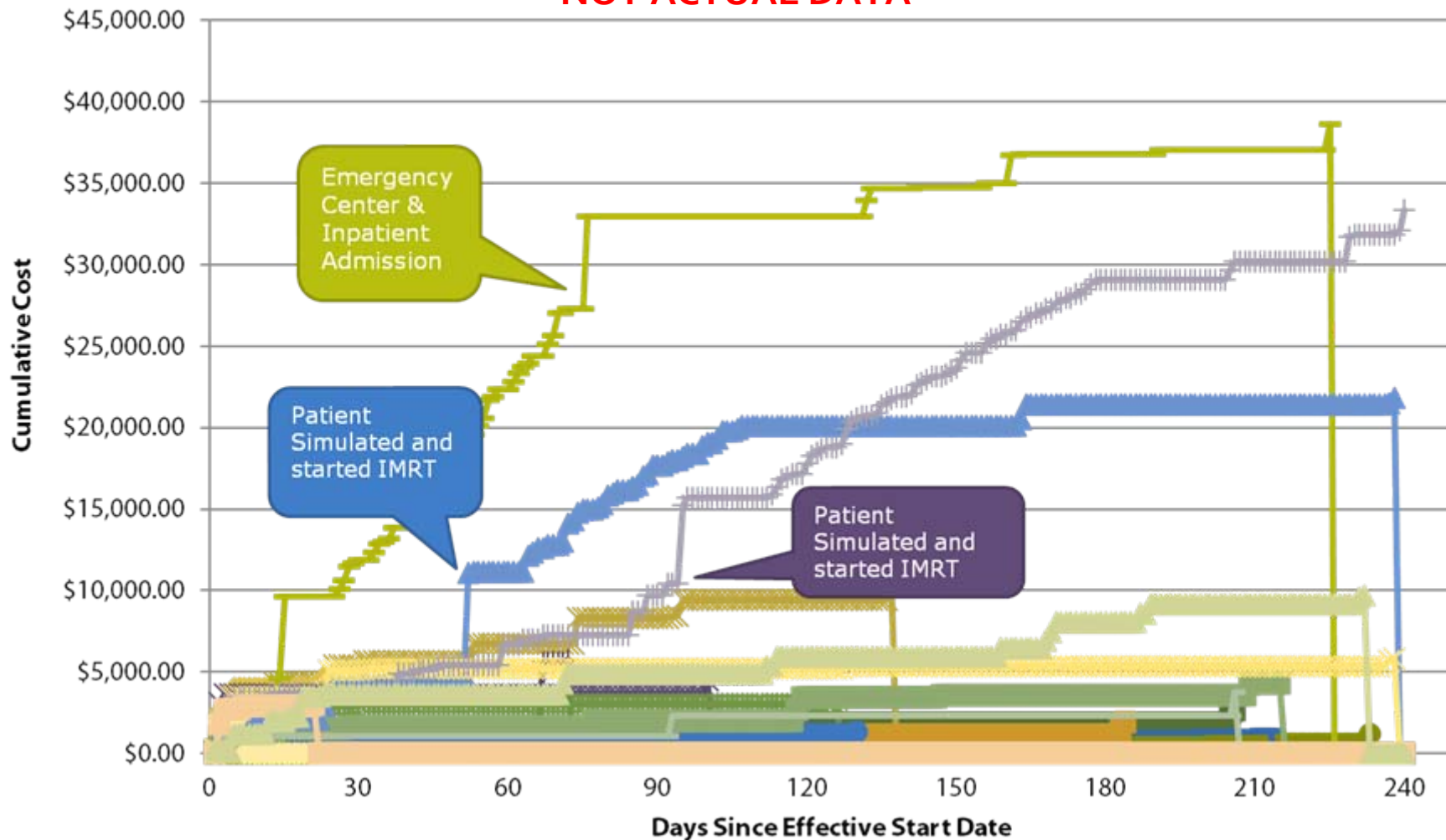
Head and Neck Outcomes

We Ask Your Doctors

Treatment

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

Staying Cancer-Free

- Overall survival
- Cancer-free survival
- Cancer-specific survival
- Cancer recurrence

We Ask You

During and After Treatment
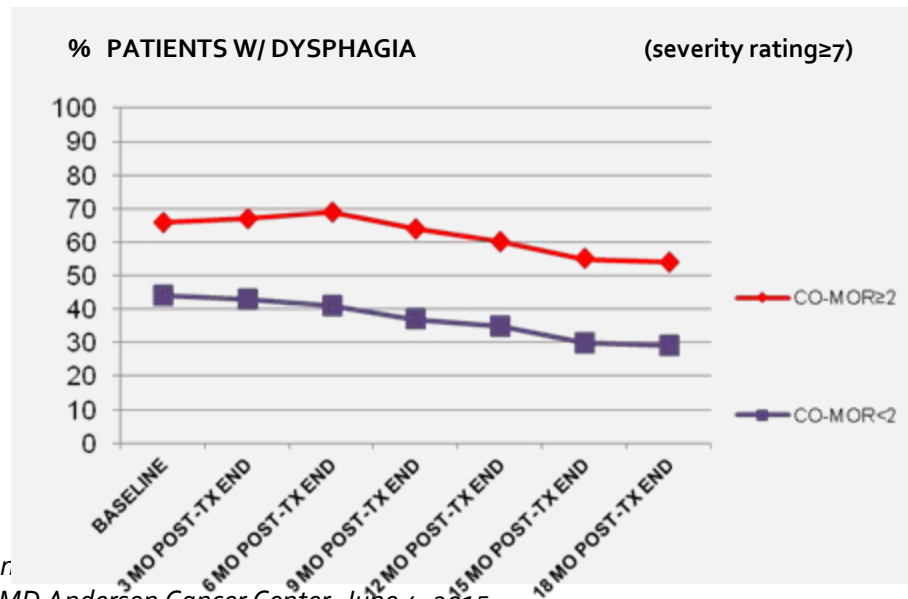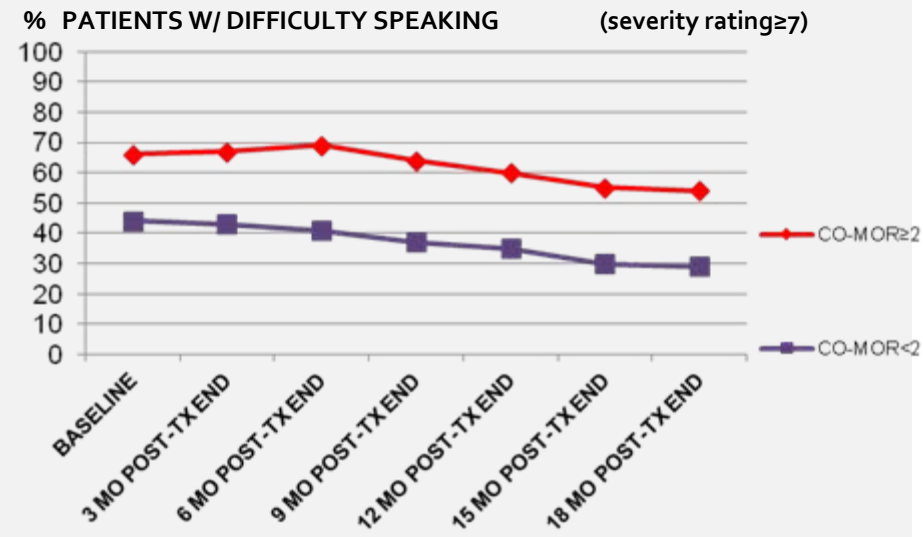
Living Your Life

- Return to your everyday routine
- Able to work

Quality of Life

- Speaking
- Swallowing
- Dry mouth
- Facial appearance
- Breathing tube
- Feeding tube

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Sample Quality of Life Outcomes Tracking

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

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

% PATIENTS W/ DYSPHAGIA (severity rating≥7)

NOT ACTUAL DATA

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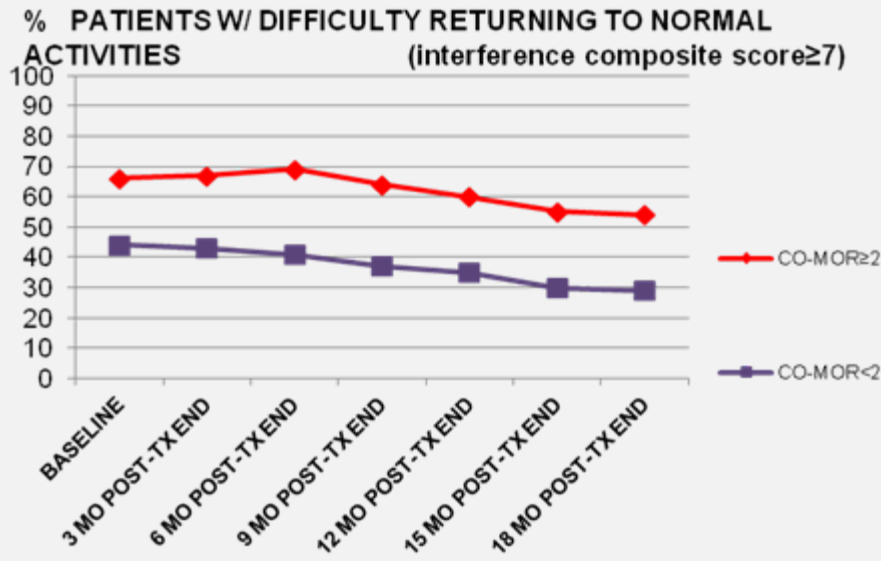
POST-IMPLEMENTATION EXPERIENCE

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

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Post-Implementation Project Support

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

Claims	→	Patient Experience	→	Patient Tracking	→	Outcomes and Quality Measures
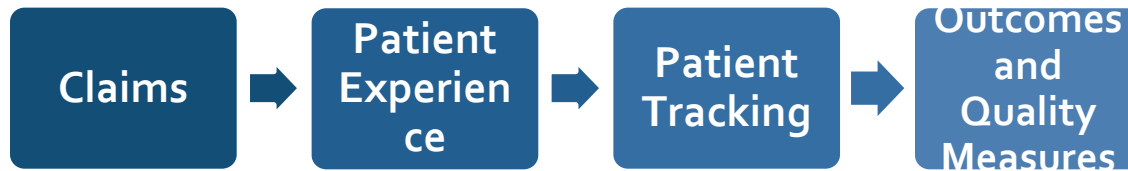
  – Time commitment varies (<1 hr to 20 hrs/wk)

- Dedicated Project Management Team and Analytical Support

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Challenges/Lessons Learned

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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

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Thank You

Contact Information

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