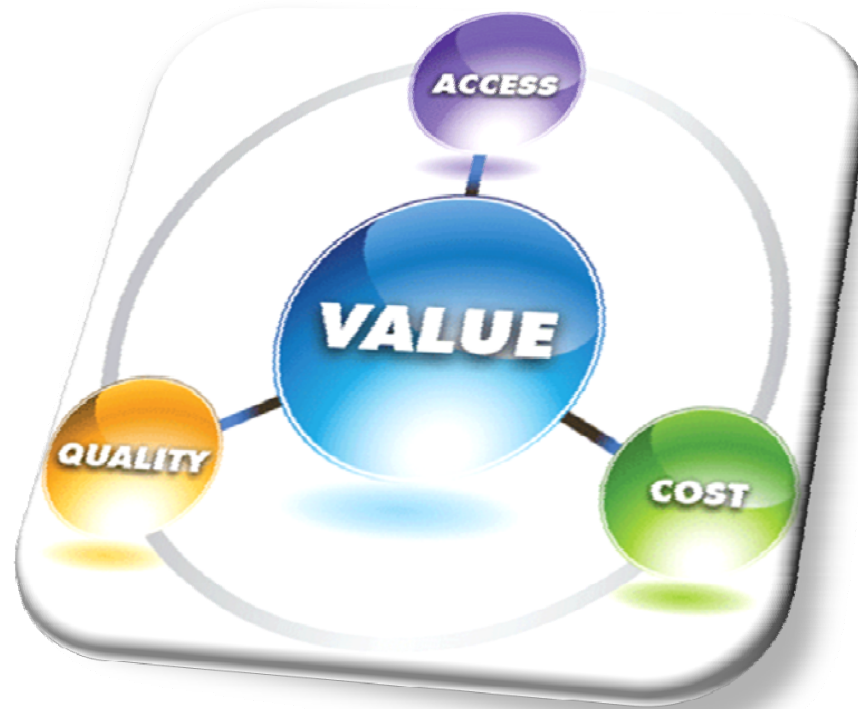


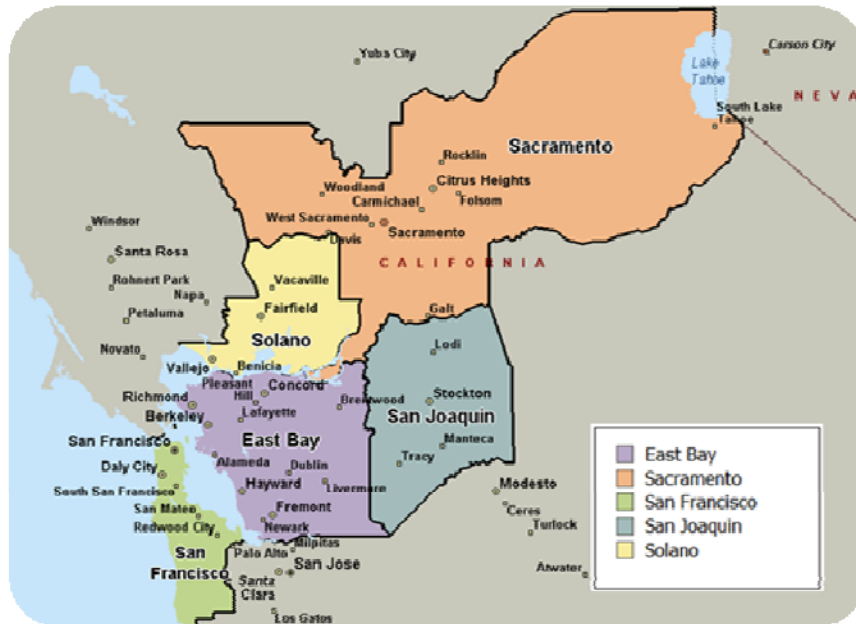
Oncology Case Rate (OCR)

Bundle Payment System: **Six Year Program Results**

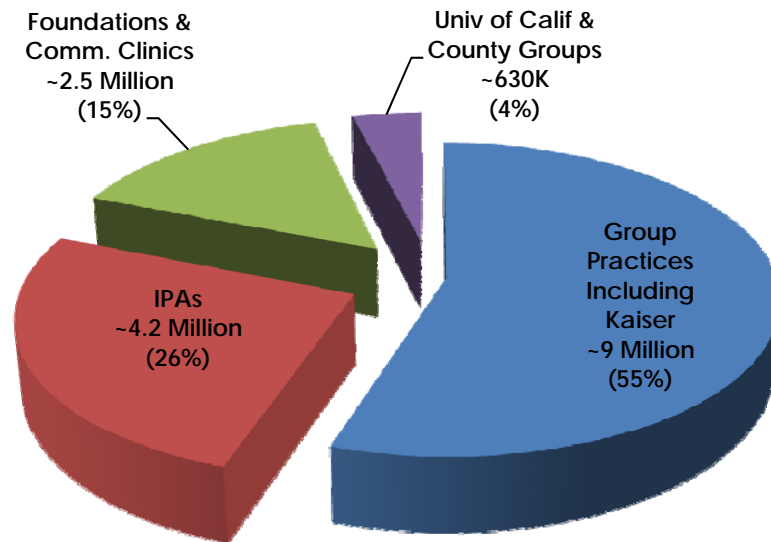


Hill Physicians Medical Group

- ❖ Independent Physician Association founded in 1984
- ❖ Provider network: 3,800 providers and consultants
 - 980 Primary Care
 - 2,260 Specialists (**170 Oncologists**)
- ❖ Service the Northern California area
 - 300,000 Members
 - 5 Regions - 9 Counties



California Marketplace – 2014 HMO Enrollment



Why did we start in 2008?

Necessary Goals

- ❖ Respond to financial pressures to moderate the cancer care cost trend
- ❖ Improve the quality of care
- ❖ Align our oncologists' incentives with organization's initiatives

The Model

Two Linked Modules - Act as Checks & Balances

Case Rate Payments
Cancer dx are grouped
Paid monthly
Providers bear some risk
Stop loss program protects providers
CALCULATED TO BE EQUIVALENT TO 100% FFS



Quality Management Program
Clinical Quality
Patient Experience
Utilization
OPPORTUNITY FOR ADDITIONAL 10% INCENTIVE

Part I: Case Rates

Case Rates - Description

Case rates have different values for different cancer diagnosis groups

Paid monthly

Providers bear some **risk**

Stop loss program protects providers



- ❖ All cancers grouped into diagnosis groupings
- ❖ *in situ* excluded
- ❖ Includes all services provided to patient in MD office except imaging & rad tx
- ❖ Prospective, once case begins
- ❖ At risk when costs exceed cumulative case rate but not yet at stop-loss
- ❖ Providers paid case rates AND reduced FFS after reaching stop loss

CALCULATED TO BE EQUIVALENT TO 100% FFS

Part II - QMP

QMP Domains	Description
Clinical Quality	❖ Subset (25 - 30) of ASCO QOPI core measures
Patient Experience	❖ CG-CAPHS ❖ Internally developed referring PCP satisfaction survey
Utilization	❖ IP bed days ❖ ED visits ❖ Infusion Center Use ❖ Chemo Initiation
OPPORTUNITY FOR ADDITIONAL 10% INCENTIVE	❖ These are NEW dollars that previously were not available to the oncologists

So, What We Developed & Implemented....

Case Rate = An APM (Alternate Payment Model)

- Cancer dx are grouped
- Paid monthly
- Providers bear some risk
- Stop loss program protects providers

CALCULATED TO BE EQUIVALENT TO 100% FFS



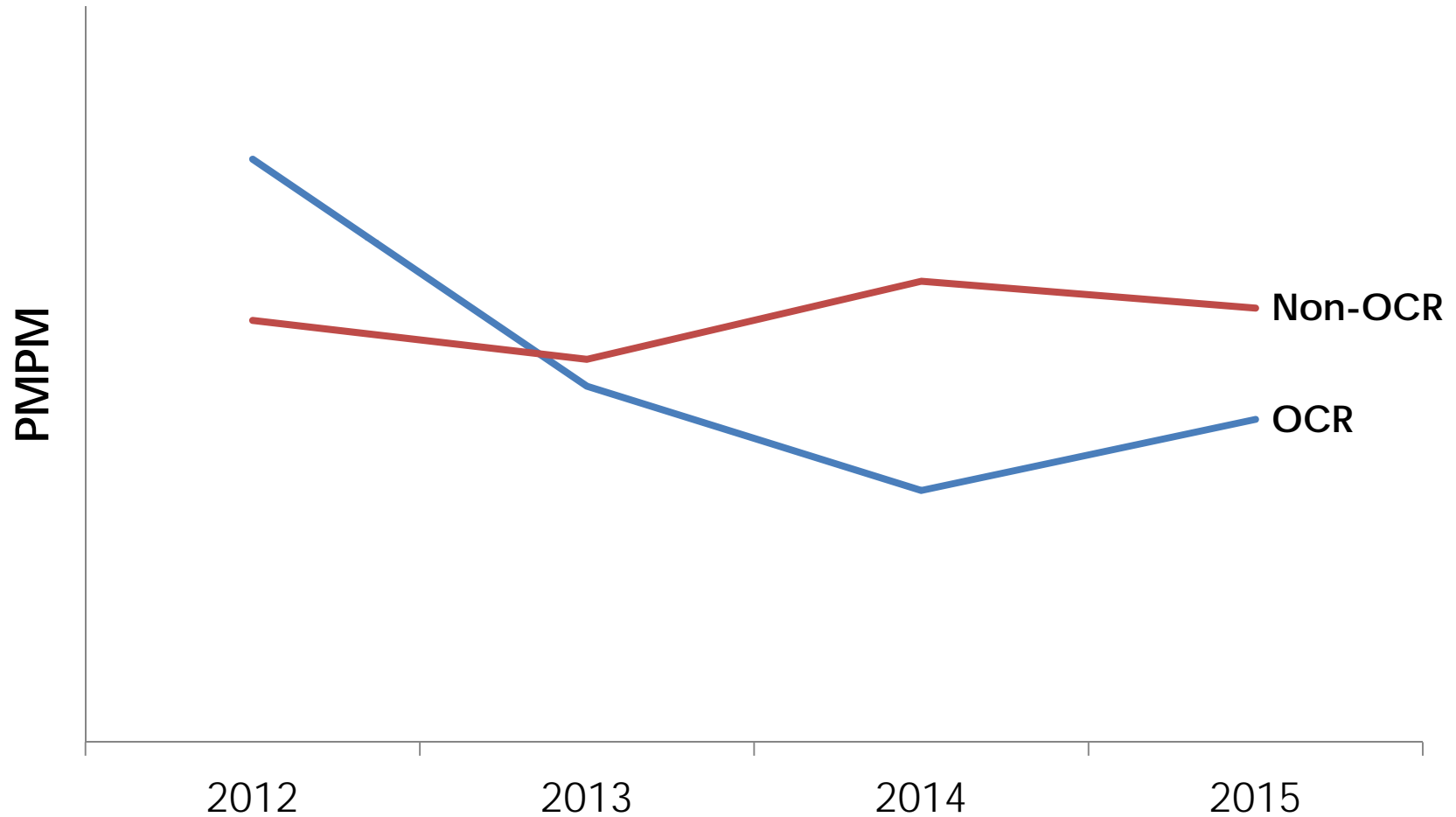
QMP = VBP4P (Value Based Pay-for-Performance Program)

- Clinical Quality
- Patient Experience
- Utilization

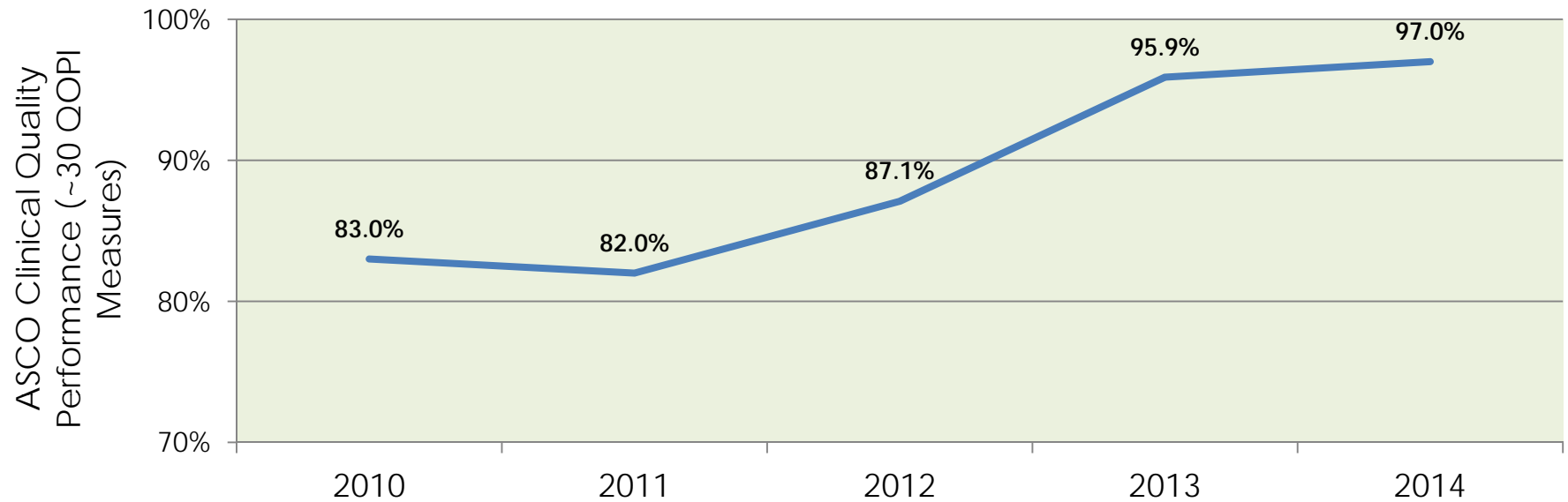
OPPORTUNITY FOR ADDITIONAL 10% INCENTIVE

Outpatient Total Oncology PMPM Trend

OCR vs. Non-OCR Practices (Control)



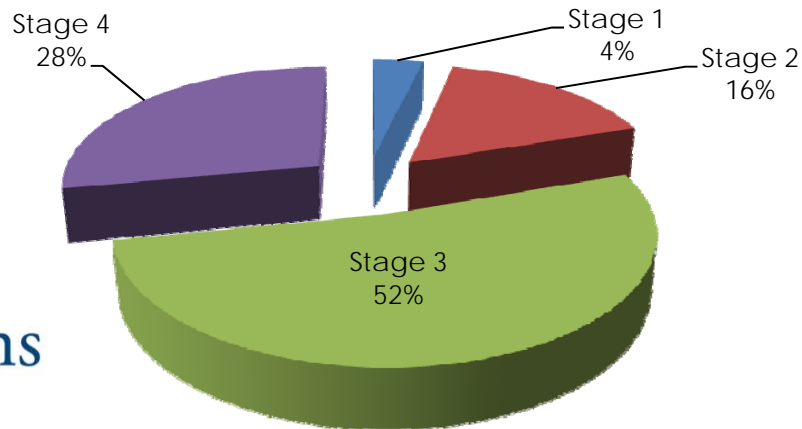
Clinical Quality of Care – OCR Performance



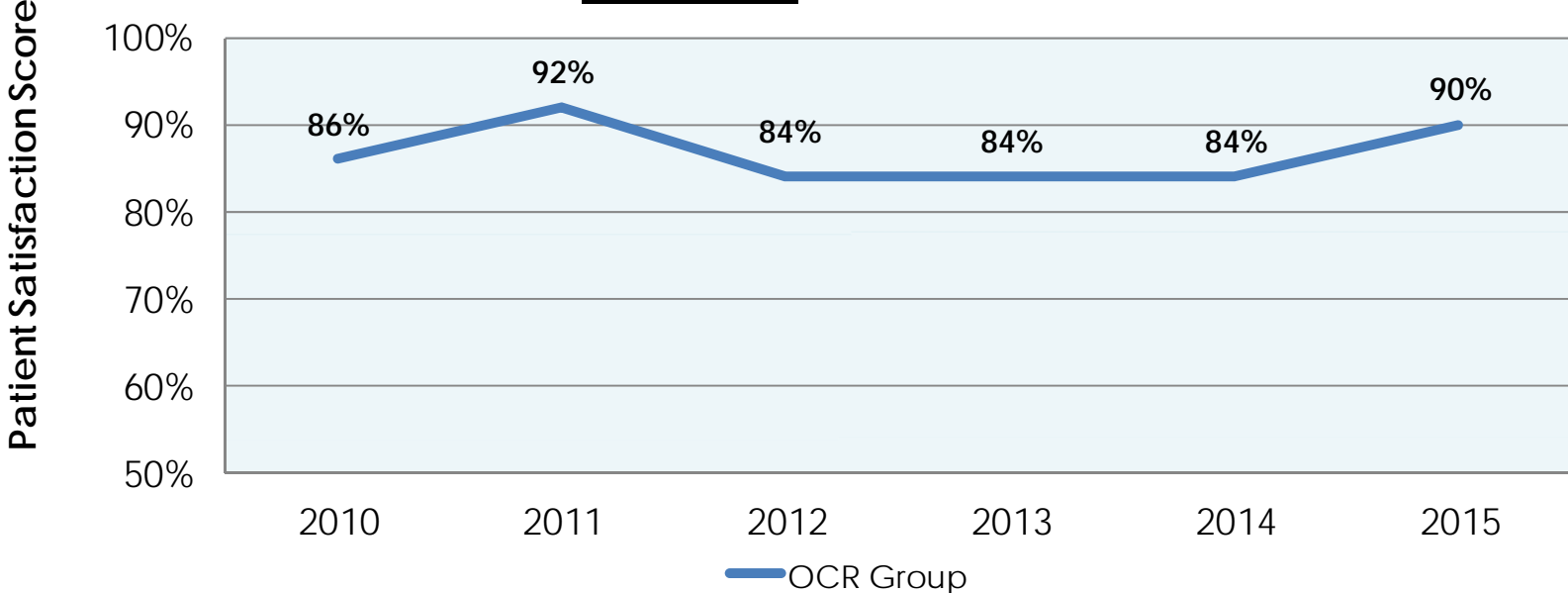
Adherence to NCCN Guidelines

❖ **96% pathway adherence** based on cancer stage observed in treatment of colon cancer patients

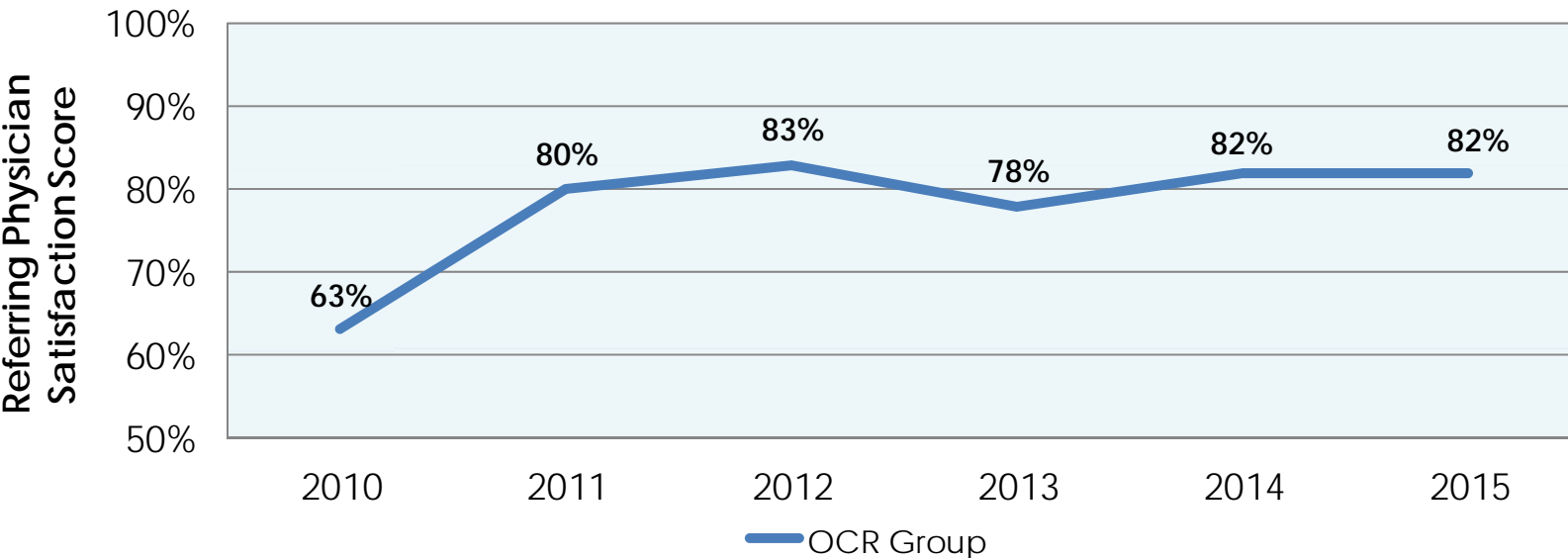
% of Patients - Stage Breakdown



Patient Satisfaction

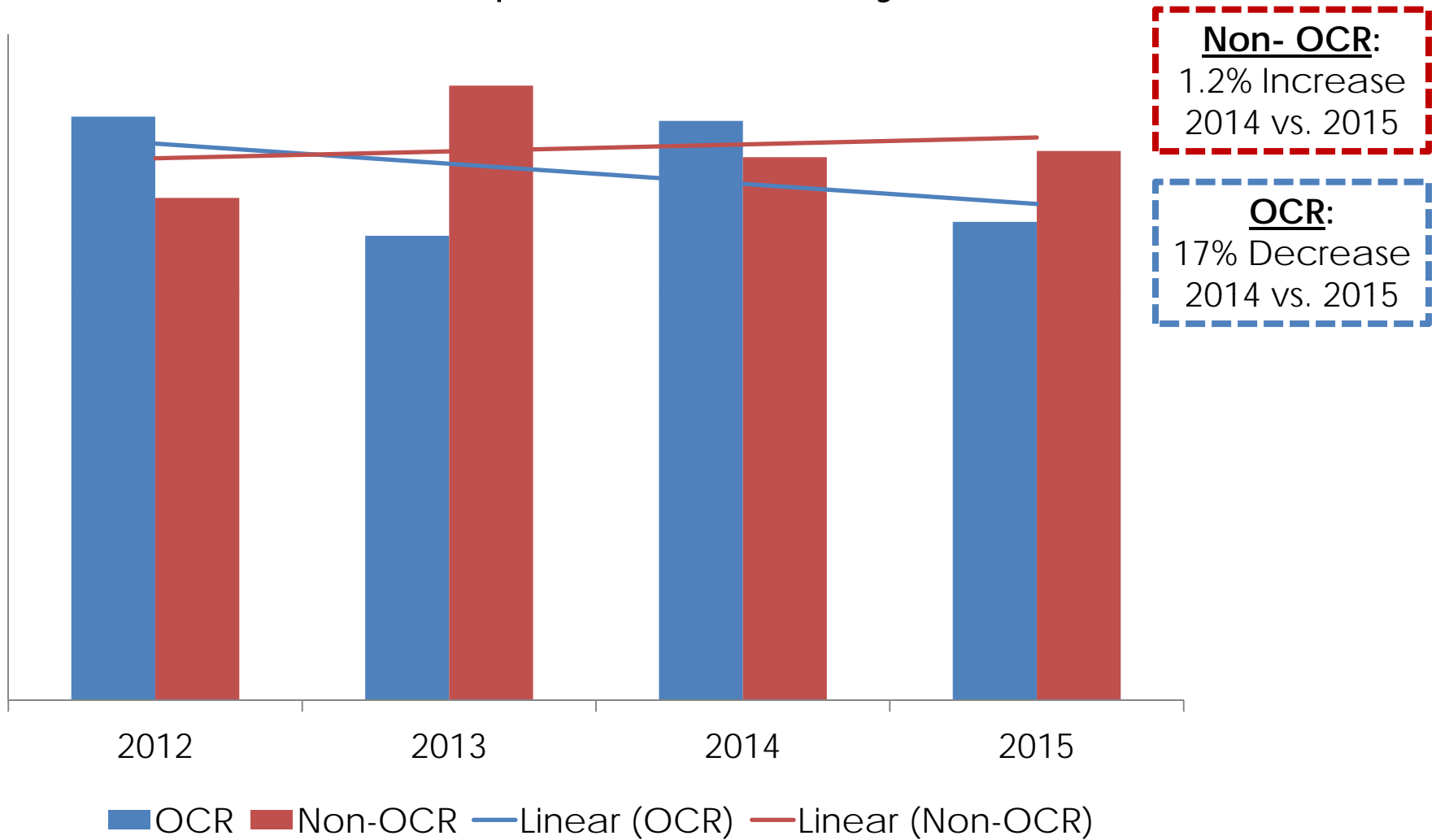


Referring Physician Satisfaction



Utilization Measure

Inpatient Bed Days





Hill Physicians

Your health. It's our mission.

How Does Our Program Compare with National Initiatives?

Sponsor	Program
CMS Center for Medicare and Medicaid Innovation (CMMI)	Oncology Care Model (OCM)
American Society of Clinical Oncology (ASCO)	Patient Centered Oncology Payment (PCOP)

OCM & OCR

❖ Common Goals:

- Reduce total cost of cancer-related care for chemotherapy recipients
- Improve quality of care
- Improve patient experience

❖ Both Programs:

- Propose to move beyond conventional FFS
- Incorporate some form of additional financial incentive to oncologists
- Incorporate explicit quality & utilization measures

OCM: A Few Contrasts

	OCM	Hill Program
Episode Duration	6 months	36 months
Compensation Method	Traditional FFS	Case Rates
Added Service Fee	\$160 monthly "enhanced care management fee per patient"	None
Downside risk related to care payments to oncologists	none	Potential for small amount of downside risk
Potential surplus retention related to care payments	Contributes to share of TCC savings if TCC	100% retention of surplus if actual care costs is less than case rate
Opportunity for additional "Value Based Pay for Performance Payment"	"Shared Savings" approach applied to total cost of care	Provides up to 10% additional payment conditional of meeting quality & utilization criteria
Managing Total Cost of Care	Services translated to dollars	Utilization measures -Bed days -ED visits
Maintaining or Improving Quality	Part of Cost of Care	Quality Measures Integral part of 10% Incentive

ASCO's PCOP Option 2 & Hill Program

	ASCO PCOP Option 2	Hill Program
Episode Duration	Up to 6 months after end of treatment	36 months
Compensation Method	FFS Virtual budgets	Case Rates
Downside risk related to care payments	some	some
Opportunity for additional Value Based Pay for Performance Payment	Maintain rates for 4 new codes; additional opportunities not specified	Up to 10% additional payment

Frequent Asked Questions About Our Program

- ❖ Why include drugs in the case rates?
- ❖ “lumping vs. splitting” the cancers
- ❖ Is our program named correctly?
- ❖ Why all cancers & not just a few to begin the program?
- ❖ Can it be adopted elsewhere?

Our Cookbook

- ❖ Determine case rates
- ❖ Pay case rate payments outside of existing claims processing system
- ❖ Create a database that is the source of
 - Monthly payments
 - Utilization reports
 - Yield reports
 - Clinical monitoring
- ❖ Re-calibrate

Did we Achieve Our Goals?

- ❖ Respond to financial pressures to moderate the cancer care cost trend
 - OCR practices continue to **bend the cost curve** over 5+ years of program experience.
- ❖ Improve the quality of care
 - OCR practices demonstrated year-over-year **improvements** in performance on ASCO **clinical quality** measures.
 - OCR practices **out-performed** standard FFS model in key **utilization** metrics (i.e. Bed Days, ED visits).
- ❖ Align our oncologists' incentives with organization's initiatives

What Is Next?

- ❖ Improve our program
 - Incorporate best practices from other initiatives
- ❖ Adapt our program to the changing marketplace
- ❖ Does our program have potential as an oncology APM in the MACRA environment?
- ❖ Are others interested in adopting a version of our program?

Thank you!

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