



Transforming Oncology Payment



American Society of Clinical Oncology

ASCO 
**PATIENT-CENTERED
ONCOLOGY PAYMENT**

High Quality. Affordable Cancer Care.

The Time to Get Ready is Now!

Today's healthcare reimbursement system is experiencing profound and rapid change. Oncology practices must prepare for this transformation by:

- Learning the complexities of a new law that will have a huge impact on all practicing physicians in the United States and
- Adopting new ways of conducting the administrative and business aspects of cancer care.

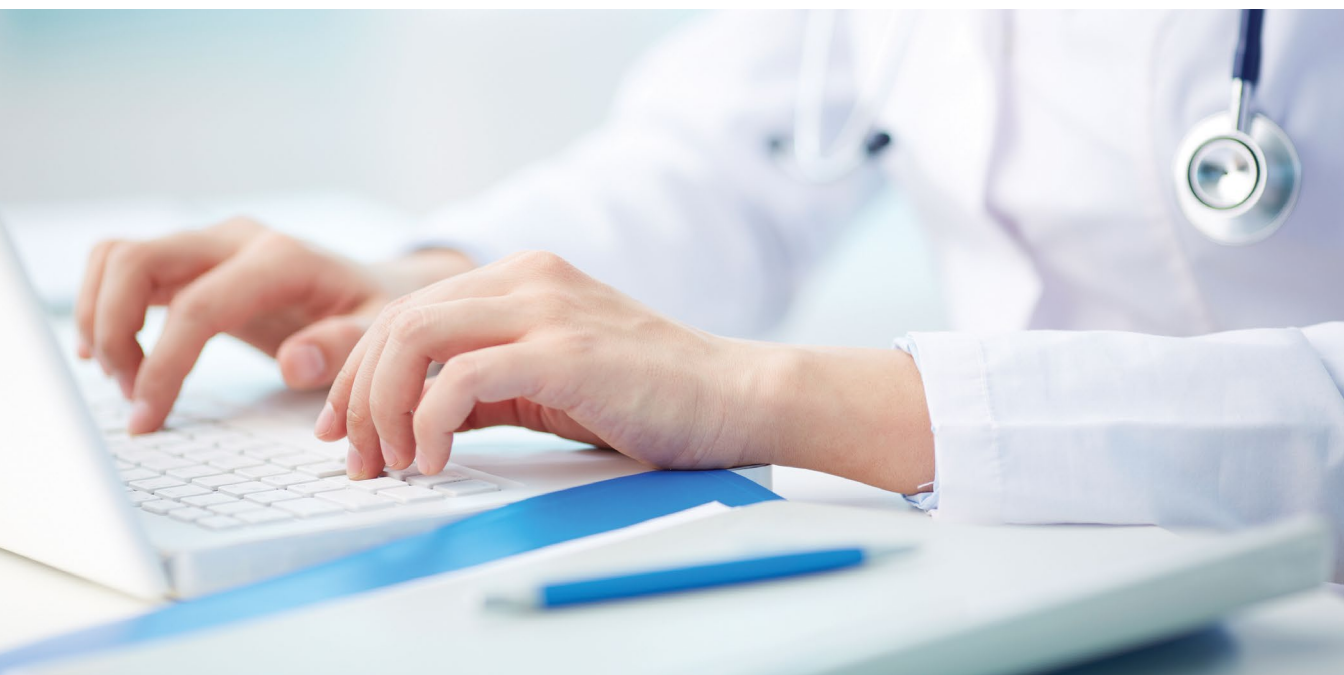
The American Society of Clinical Oncology (ASCO), *your partner in practice transformation*, is working to ensure that oncology practices are ready. ASCO can help you navigate the changing landscape AND thrive in an age of value-based, not volume-driven, cancer care.

Together, we can help ensure that patients receive high-quality, evidence-based care and the full range of services they need to fight their disease.

Transformation in Medicare Reimbursement

The first thing you need to know about is a new acronym—**MACRA**. The Medicare Access and CHIP Reauthorization Act of 2015 replaced the sustainable growth rate formula with new methodologies for how Medicare pays physicians for services.

The new law establishes two payment systems—the Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APMS)—that are designed to move away from the current fee-for-service approach toward a value-based approach, with emphasis on the quality, not volume, of healthcare services provided.



ASCO: Your Partner in Practice Transformation

ASCO is offering a unique opportunity to evaluate an alternative payment model (APM) by testing its Patient-Centered Oncology Payment (PCOP) model.

PCOP Advantages:

- Developed by oncologists from all practice settings - community-based (private practice), system employed, and academic.
- Supports high-value, high-quality cancer care.
- Three options to help practices move forward at their own pace, from increased fees for case management to full bundling.
- Accountability for things oncologists can control.
- ASCO will assist in modeling data and implementing tools to help practices be successful.

Current Model	PCOP Model
ER/Hospital Admission	Savings ER/Admissions
Other Services	Other Services
Testing	Testing
Avoidable \$	
Drugs	Drugs
E&M, Infusions	PCOP Pmts E&M, Infusions
Non E&M Care Mgt	

PCOP

+50% Increase in payment to oncology practices.

-5%
Reduction in drug spending

+

-30%
Reduction in ER & hospital visits

-4% Reduction in total spending.

ASCO Payment Reform Model

Transforming oncology practice comes down to two major changes: (1) how you conduct your Medicare quality reporting and meet quality performance requirements, and (2) how you choose to be paid for the services you provide to Medicare beneficiaries.

Moving towards a value-based health system

ASCO's QOPI® program and Patient-Centered Oncology Payment (PCOP) reform model will help you set up your practice for success in the MACRA era.

PCOP fundamentally restructures the way oncologists are paid for cancer care in the United States—and addresses one of the major problems in today's fee-for-service system: inadequate payment for the wide range of services critical to supporting patients with cancer and managing a complex illness, including:

- *Education and support* to help patients make the best choices about their cancer treatment,
- *Rapid response* for patients experiencing problems during treatment to help avoid emergency department visits or hospitalizations,
- *Care coordination* with other healthcare providers, and
- *Continued support* to patients after active treatment ends.

ASCO's payment model enables oncology practices to take greater accountability for key aspects of cancer care spending without harming patients and without putting practices at risk for costs they cannot control. At the same time, PCOP has oncology practices delivering evidence-based care ensuring patients receive the most appropriate tests and treatments while avoiding unnecessary expenses—ultimately reducing spending for Medicare and other payers.

PCOP and MACRA. The new law encourages development of alternatives to the current Medicare fee-for-service payment system as a strategy to achieve higher quality, more affordable care. ASCO believes that its payment reform model will meet MACRA's definition of an Alternative Payment Model and will advance PCOP as a potential certified APM.



Quality Reporting under MACRA

Regardless of the path your practice takes—MIPS or APMs—quality reporting and improvement will be a bedrock requirement under the new law. Financial incentives in both systems will be tied in some respect to quality performance. Reporting in 2017 will affect your scores and adjustments in 2019. Oncology practices should focus now on preparing and enhancing their quality reporting systems and activities. (To learn more about ASCO's Quality Oncology Practice Initiative (QOPI®), a CMS-approved Qualified Clinical Data Registry, please visit qopi.asco.org)

Oncology practices need to prepare now!

What you need to know now: MIPS

- The Merit-Based Incentive Payment System (MIPS) is a new payment system that combines parts of the Physician Quality Reporting System (PQRS), the Value Modifier (VM or Value-based Payment Modifier), and the Meaningful Use program—along with a new category of clinical practice improvement activities—into a single program that will assess physicians on quality, resource use, meaningful use of certified electronic health records, and practice improvements.
- Some of the assessments made at the effective date of 2019 will be based on 2017 data and performance.
- Physicians will be automatically enrolled in MIPS unless they choose to participate in an APM.



What you need to know now: APMs

- The new law encourages medical practices to participate in Alternative Payment Models (APMs) that offer new and innovative payment structures. Beginning in 2019, qualifying healthcare providers participating in APMs may receive an annual lump sum adjustment (equal to five percent of the prior year's estimated aggregated expenditures under the Medicare Physician Fee Schedule).
- Not many APMs are currently available for oncology, however, MACRA encourages the development and recognition of models available to specialists such as oncologists.
- APMs may include accountable care organizations (ACOs), patient-centered medical homes (PCMHs), and bundled payment models, as well as existing and approved delivery models. Another APM may be a new model called physician focused payment models (PFPMs).
- Qualifying PFPMs must include the reporting of quality measures and the use of certified electronic health records. Participating practices must also share "more than nominal financial risk."
- The federal government will review proposed payment models and decide, by Fall 2016, which qualify as certified Alternative Payment Models.



Ready to Transform your Practice?

ASCO will be your partner in practice transformation by helping you learn more about its payment reform model and how you can try it out in your practice—with no requirement to actually implement the model.

- The first step is to identify a payer in your market (or your own self-insured population) who is interested in exploring alternative payment models in oncology.
- ASCO would be happy to present the model to your administration and any payer considering implementing an alternative payment model.
- The payer will be asked to provide claims data so ASCO can model the potential savings implementation PCOP could provide.
- ASCO will provide a list of the needed data and provide you with the number of discreet episodes of care necessary for a statistically significant model.

If, after the modeling is complete, you choose to move forward to implement PCOP (either with your self-insured population or with a local payer), the findings from the modeling will be made available to you in structuring or negotiating the exact payment structure for your unique situation.

Contact Us

If you are interested in evaluating PCOP or need assistance with transitioning to other payment systems, please contact

- **Stephen Grubbs, MD, Vice President** at 571-483- 1750 or stephen.grubbs@asco.org; or
- **Walter Birch, ASCO Division Director of Practice Management** at 571-483-1658 or walter.birch@asco.org.

For more information about ASCO's payment reform model, please visit www.asco.org/paymentreform. For more information about MACRA, please visit www.asco.org/macra.

About ASCO

Founded in 1964, the American Society of Clinical Oncology (ASCO) is the world's leading professional organization representing physicians who care for people with cancer. With nearly 40,000 members, ASCO is committed to improving cancer care through scientific meetings, educational programs and peer-reviewed journals. ASCO is supported by its affiliate organization, the Conquer Cancer Foundation, which funds ground-breaking research and programs that make a tangible difference in the lives of people with cancer. For ASCO information and resources, visit asco.org. Patient-oriented cancer information is available at cancer.net. For the latest developments in cancer-related policy, please visit asco.org/advocacy.