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Subcommittee on Health

MACRA and Alternative Payment Models: Developing Options for Value-based Care

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The American Society of Clinical Oncology (ASCO) is pleased to submit this statement for the record of the hearing entitled, "MACRA and Alternative Payment Models: Developing Options for Value-based Care." ASCO appreciates the work of the Energy & Commerce Committee, specifically this subcommittee, in shepherding passage of the *Medicare Access and CHIP Reauthorization Act* of 2015, which repealed the flawed sustainable growth rate formula and established a path for the development of alternative payment models (APMs) that recognize the delivery of high quality, high value care.

ASCO is the national organization representing more than 42,000 physicians and other healthcare professionals specializing in cancer treatment, diagnosis and prevention. Medicare beneficiaries over the age of 65 account for 54% of all new cancer care cases. With that in mind, we offer our strong support for the development of additional alternative payment models tailored to oncology care.

Congress passed MACRA, in part, to move the Medicare program from traditional fee for service to a system that pays for high quality care delivery. Two years since passage, the Center for Medicare and Medicaid Services (CMS) has taken some important steps forward, but accomplishing this transition requires the availability of a menu of APMs for physicians. To date CMS has approved one alternative payment model in the oncology care space – the Oncology Care Model (OCM). ASCO looks forward to continued work with CMS and the Physician Technical Advisory Committee (PTAC) to implement additional oncology-focused APMs, such as the Patient-Centered Oncology Payment (PCOP) model, to provide flexibility to oncologists to choose the best option for their patients and their practices.

Need for Multiple Oncology Specific APMs

Given the significant morbidity, mortality and financial expenditures arising from cancer in the Medicare population, CMS should avoid a narrow approach that fails to test more than one oncology-focused APM option to meet the needs of the diverse Medicare population. CMS should embrace oncology-focused Advanced APMs that differ from the OCM, and CMS should remain open to implementing additional oncology-focused models on a timely basis through the Physician Focused Payment Model pathway created by Congress.

Multiple oncology-specific APMs are needed to enable oncologists to select the optimal approach for their patients and their practices to survive in a value-based payment environment and to facilitate the

oncology community's transition out of the Merit-Based Incentive Payment System (MIPS). The OCM, which is currently in place through the Innovation Center, is certainly one such approach that has drawn participation from a large number of practices. This is a testament to the willingness that cancer care providers have to move from the current fee for service system.

Medicare's need for additional oncology APMs is critical, since cancer is extraordinarily complex. Additional APMs could be one tool in dealing with specialty drug costs in the rapidly changing environment of personalized cancer care. It would be a waste of the opportunity created by Congress if only one model were to be tested. Therefore, additional approaches to reforming oncology payment are needed and should be tested by the Innovation Center.

ASCO's Patient-Centered Oncology Payment (PCOP) Model

ASCO's PCOP model will soon be under consideration by the PTAC. Congress created the PTAC as an advisory board and we encourage CMS to take seriously the recommendations of PTAC. Our membership is engaged and eager to participate in testing innovative models that lead to better care. We anticipate continuing to revise both our reporting requirements as well as the details of our one- and two-sided risk financial components to meet the needs of all constituents. The PCOP model positions eligible clinicians to move into monthly payments upon demonstrating their ability to succeed in this care management and payment environment.

PCOP Model Overview

The PCOP Model is the product of an ASCO volunteer work group comprised of leading medical oncologists, seasoned practice administrators, and experts in physician payment and business analysis. It has benefitted from extensive feedback by ASCO members, policymakers and a wide range of stakeholders across the oncology community, including patient advocates.

The basic PCOP model provides supplemental, non-visit-based payments to oncology practices to support diagnosis, treatment planning, and care management. Oncology practices would be able to bill payers for four new service codes:

1. New Patient Treatment Planning
2. Care Management during Treatment
3. Care Management during Active Monitoring
4. Participation in Clinical Trials

Practices would continue to be paid as they are today for services currently billable under the Medicare Physician Fee Schedule, including Evaluation & Management services, delivery of chemotherapy and immunotherapy, and drugs administered or provided to patients by the practice.

PCOP introduces two-sided risk in a way that engages eligible clinicians while not putting financial viability of physician practices at risk. It requires robust reporting of quality measures and treatment pathway compliance to ensure quality of care.

Goal of the PCOP Model

The goal of the PCOP model is to better support for services critical to high value, high quality care. Oncology practices would receive payment for care management, including management of toxicities and other supportive care patients with cancer need—and that avoid costly hospitalizations and emergency department visits. Payments would be made in a way that allows practices the flexibility to provide this care in a way that meets the unique circumstances of their staffing, their care delivery environment and, most important, unique needs of the patient. It also enhances quality without increasing financial burdens on patients.

Expected Participants

All patients who have a cancer diagnosis requiring chemotherapy or immunotherapy are eligible to participate in the PCOP model. ASCO has engaged a wide range of oncologists from across the country in the development of PCOP, indicating its broad support and their willingness to participate. Additionally, one practice and payer have already implemented PCOP, show casing its viability. We expect participation from medical oncology practices at diverse practice sites, including small independent practices, wherever PCOP is available.

PCOP differs from the OCM by supporting the full range of resources necessary for oncology providers to plan, coordinate and manage cancer treatments, while focusing on efficient utilization of resources, avoidance of ineffective spending, and reduction in unnecessary hospital visits. The PCOP model also offers the opportunity for practices and payers to transition to bundled payments once proficiency has been demonstrated in the fee for service model. We will continue to dialogue with the Innovation Center regarding implementation of PCOP to provide an alternative pathway for oncology APM participation. Congress should use its continued oversight authority to encourage such conversations that will further the goals of MACRA.

ASCO thanks the subcommittee for its bipartisan commitment to strengthening the Medicare program. If you have questions about this or any issue affecting cancer care, feel free to reach out to Amanda Schwartz at Amanda.schwartz@asco.org or 571-483-1647.