

RO APM: What You Need to Know

Initial Overview

Elekta Health Policy and Government Affairs Team
July 19, 2019

Focus where it matters.



Presentation Overview

Proposed RO APM: What You Need to Know

- Model History and Overview
- How the Model Works
- RO APM Summary and Next Steps

Model History and Overview

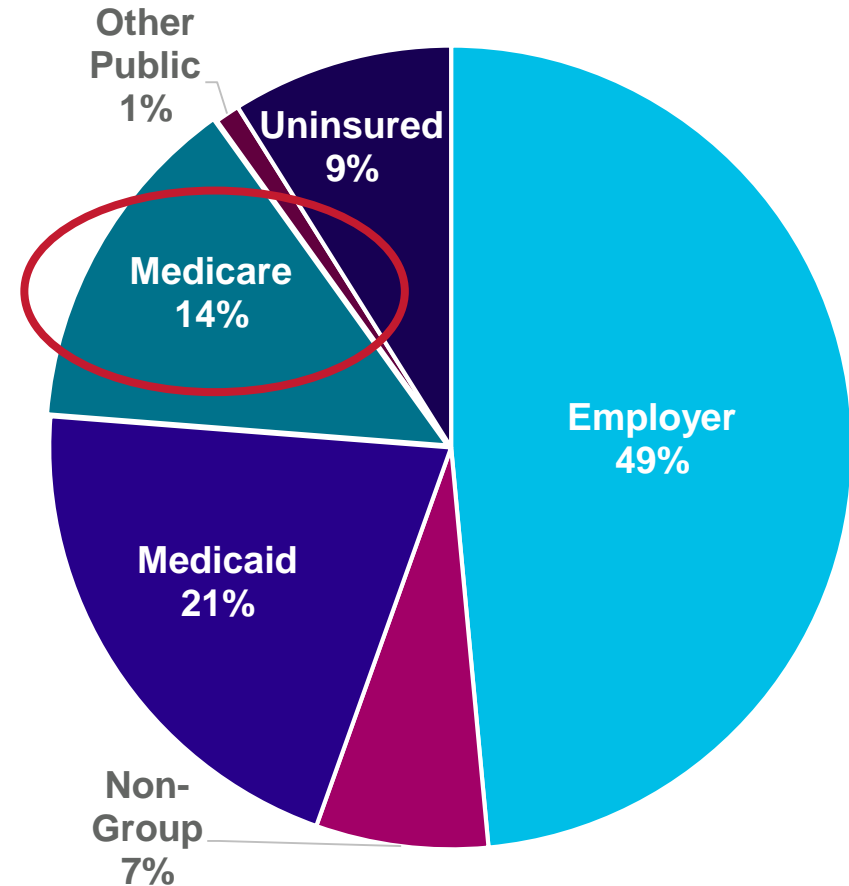
Proposed RO APM

Role of Medicare in US Health Care

Medicare provides health insurance for most adults age 65 and older

Although Medicare only insures a fraction of the US population, Medicare payment and coverage policies set the standard for other insurers

Health insurance Coverage in US, 2017

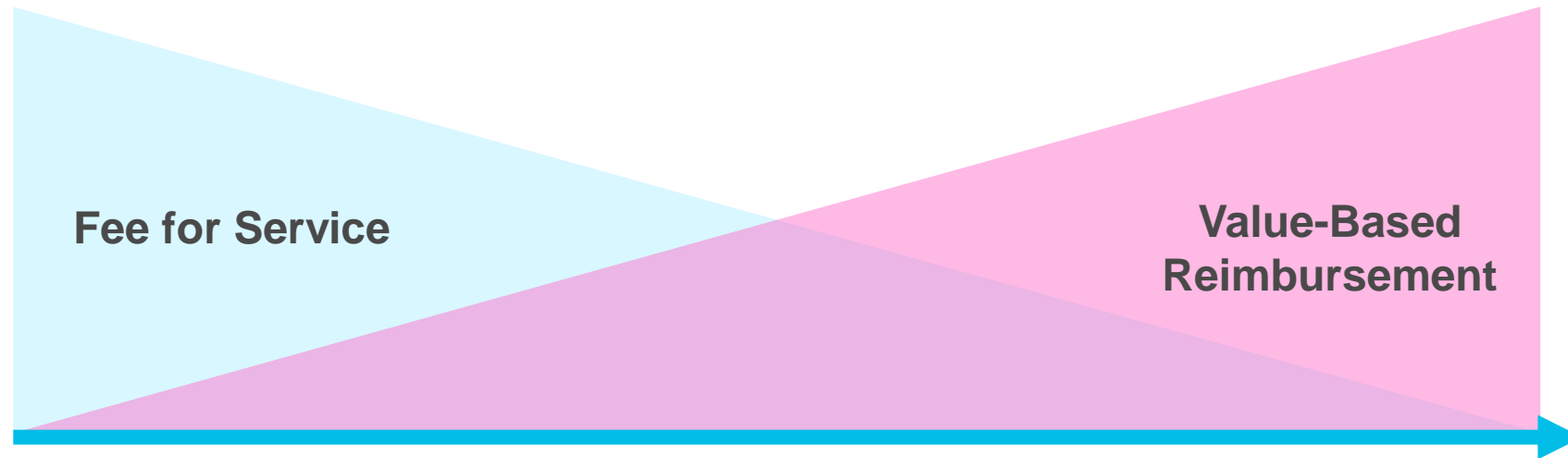


Source: Kaiser Family Foundation. Health Insurance Coverage of the Total Population. <https://www.kff.org/other/state-indicator/total-population/>

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Shift from Volume to Value

Evolving Medicare payment landscape



Opportunities for efficient and high value treatments, such as radiation therapy, exist within this payment landscape shift

RO APM Is Implemented by the CMS Innovation Center

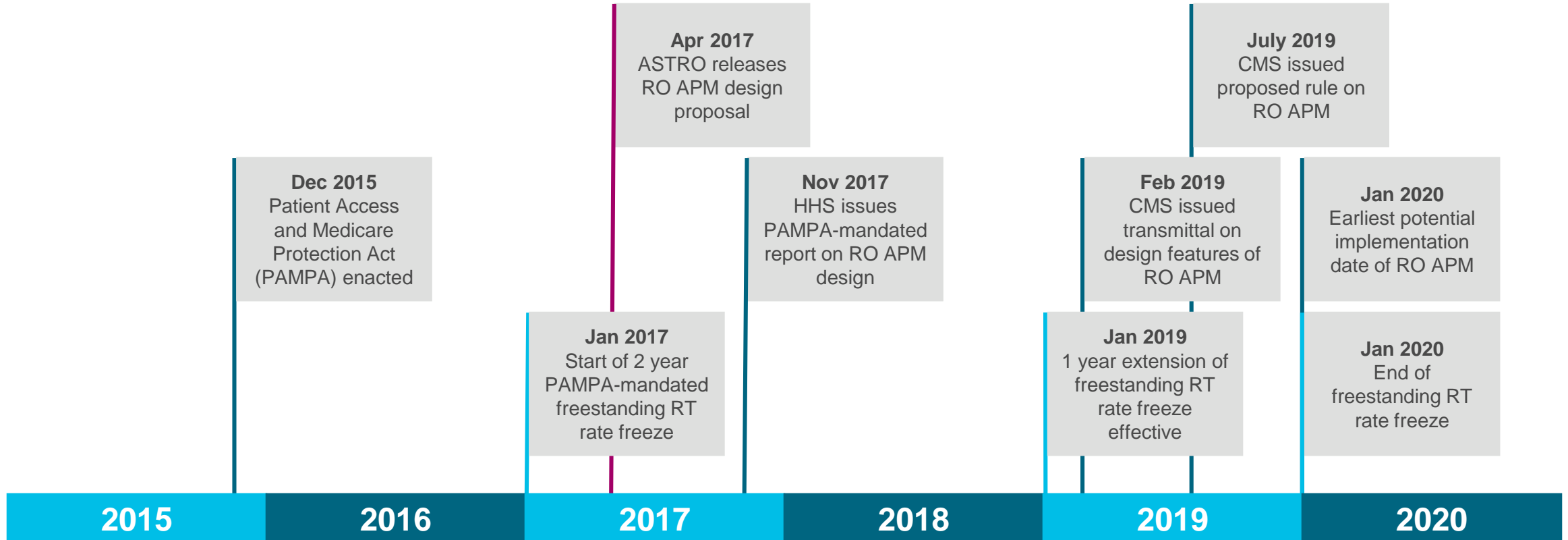
RO APM Oversight and Implementation



- The CMS Innovation Center was established by Section 115A of the Social Security Act under the Affordable Care Act
- The CMS Innovation Center tests new payment models, including Advanced Alternative Payment Models

RO APM Timeline

PAMPA initiated RO APM process

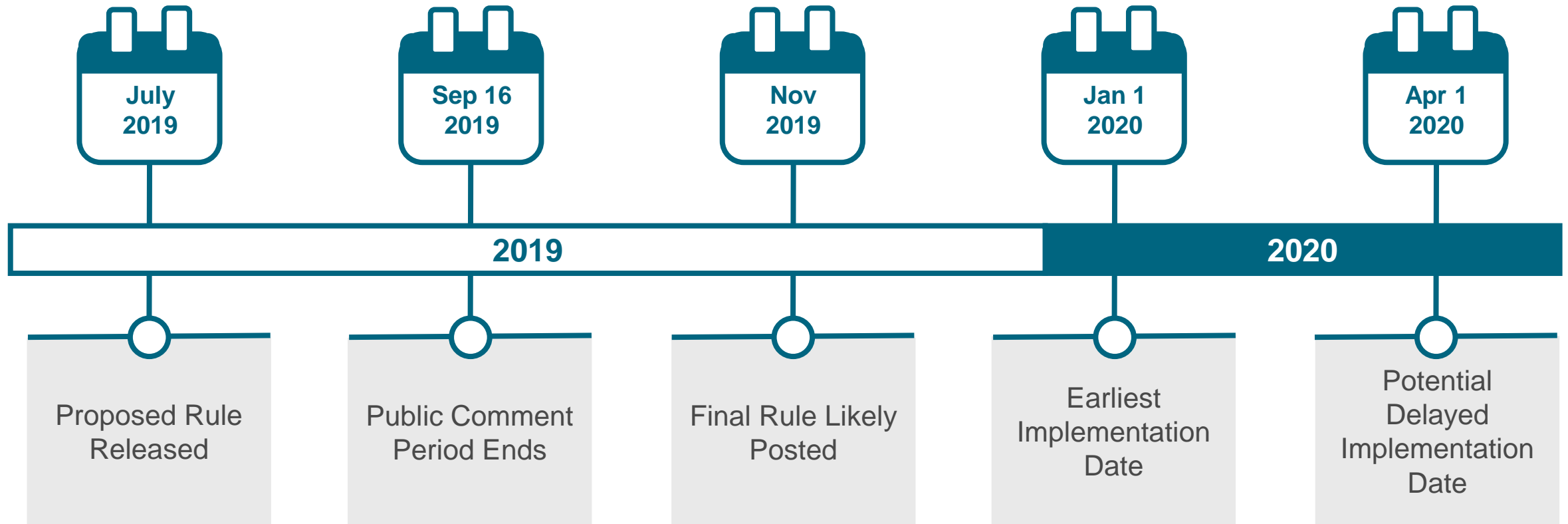


ASTRO: American Society for Radiation Oncology; CMS: Centers for Medicare and Medicaid Services; HHS: Health and Human Services; RT: Radiation Therapy

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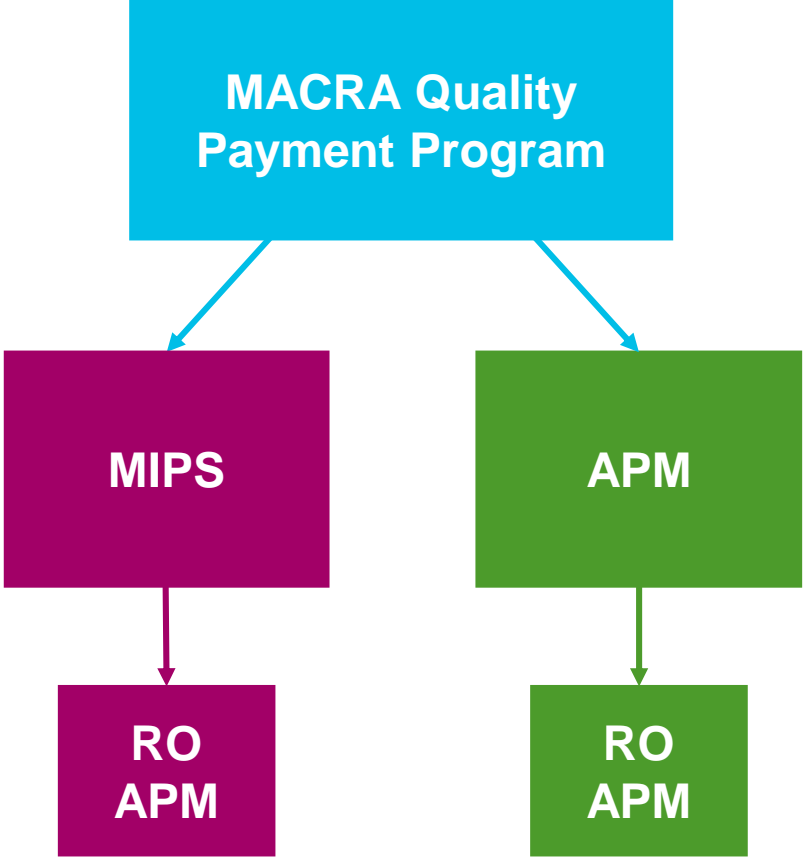
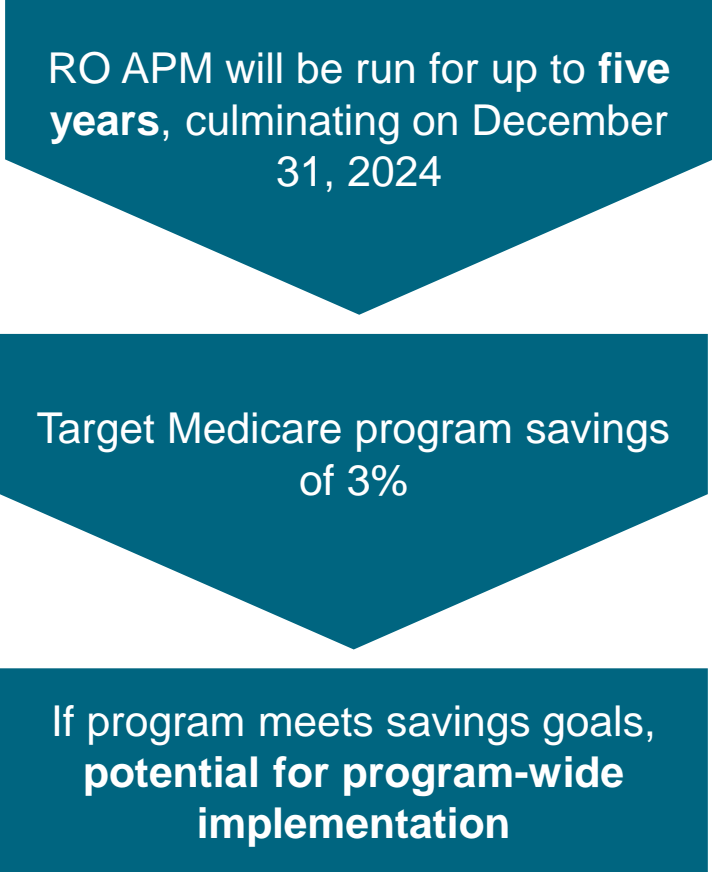


Timing for Implementation of RO APM



Medicare payment rules for fee for service radiation therapy services provided in outpatient hospitals and freestanding facilities will follow a similar timeline

RO APM Will Be Implemented Under the CMS Innovation Center

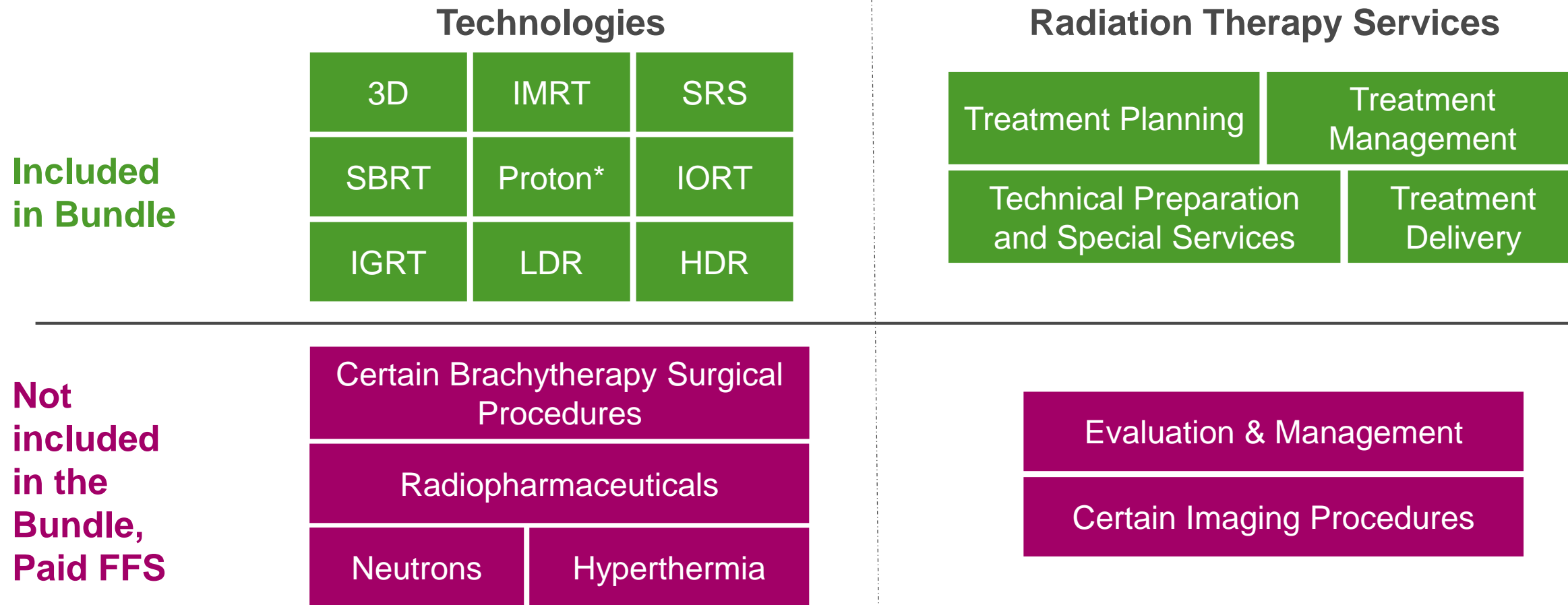


APM: Alternative Payment Model; MACRA: Medicare Access and CHIP Reauthorization Act; MIPS: Merit Based Incentive Payments System

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What Is and Is Not Included in the Bundle



*CMS is considering excluding Proton Beam Therapy from the bundle when the beneficiary is participating in a federally-funded, multi-institution randomized controlled clinical trial

FFS: Fee for Service; HDR: High Dose Rate; IGRT: Image Guided Radiation Therapy; IORT: Intraoperative Radiation Therapy; LDR: Low Dose Rate; SBRT: Stereotactic Body Radiation Therapy; SRS: Stereotactic Radiosurgery

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How the Model Works

Model Mechanics

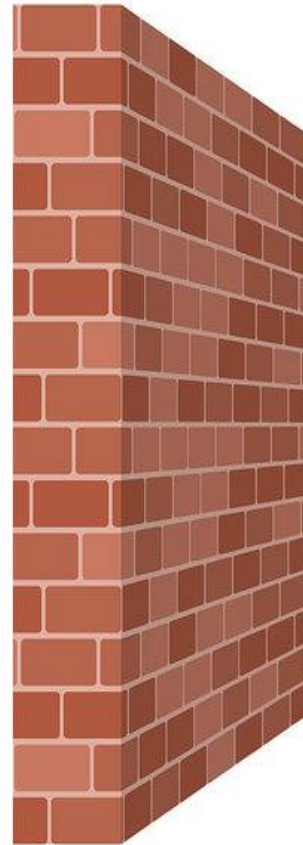
We Will Be Living Under Two Payment Systems

Fee for Service Medicare and RO APM will coexist from 2020-2025

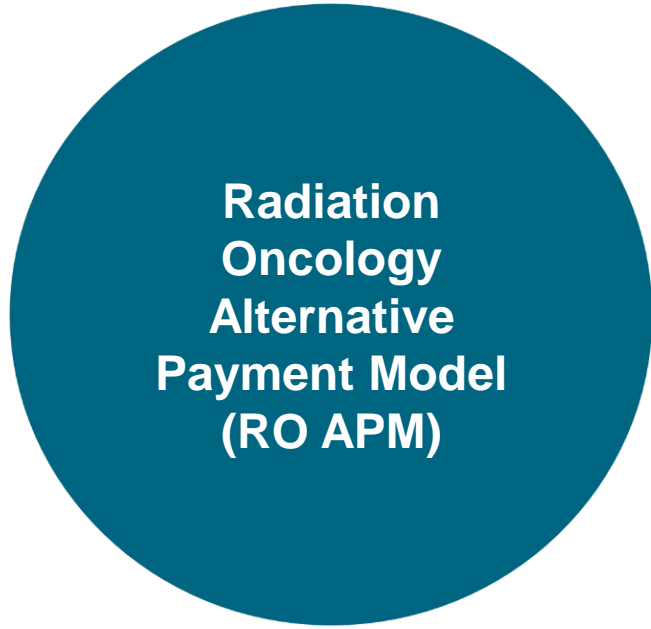


Traditional Fee for Service

60% of Episodes



Sites are on one side of the wall or the other



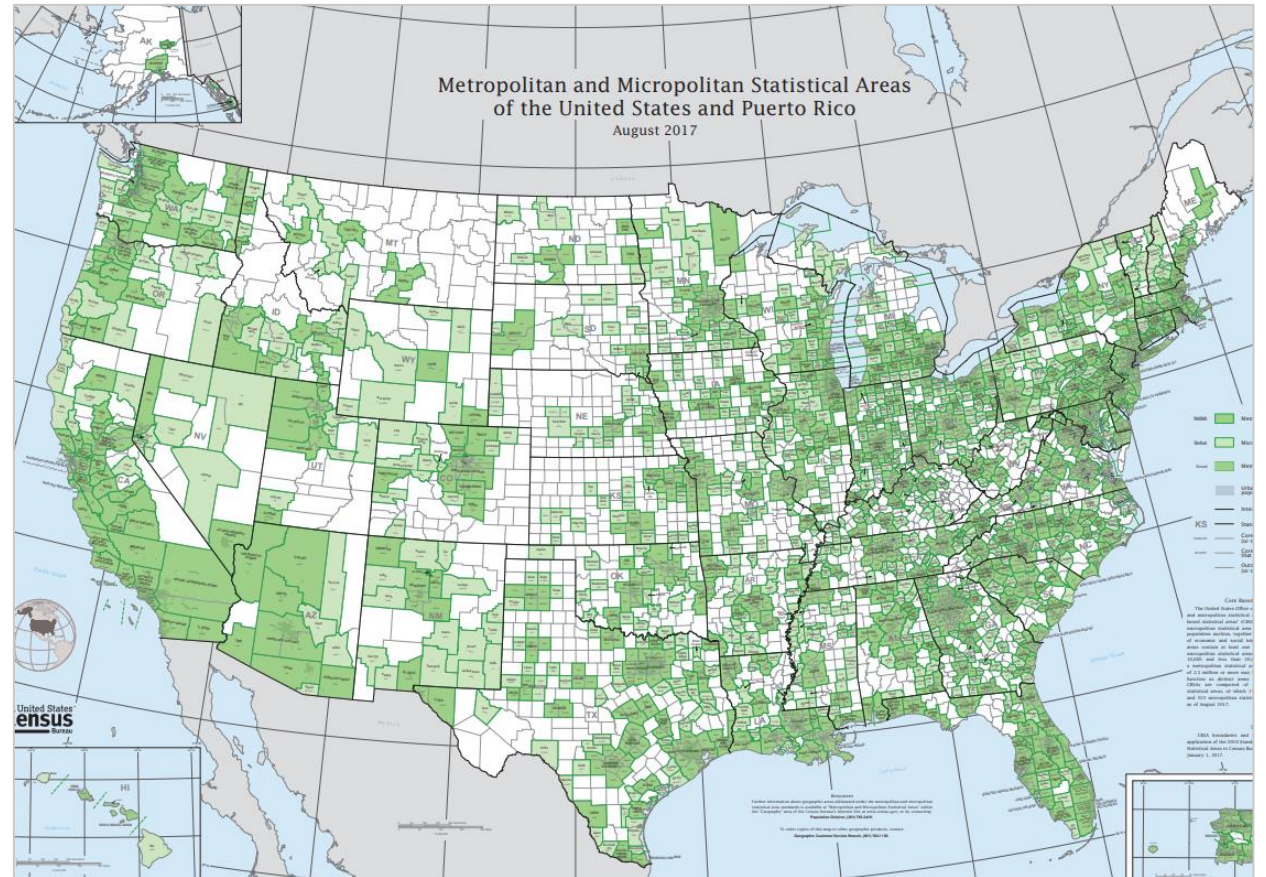
Radiation Oncology Alternative Payment Model (RO APM)

40% of Episodes

Determination of Sites in Mandatory Model

CMS will use CBSAs to determine site inclusion

- CMS will identify randomly selected Core Based Statistical Areas (CBSAs) for participation in the model
 - 40% of radiation episodes will be included in participating CBSAs
- CBSAs included in the model will be **released with the final rule, expected in early November 2019**
- Certain sites are will be excluded from the model, including:
 - Sites in Maryland and Vermont (due to existing all payer models)
 - Critical access hospital or those with Pennsylvania rural health designation
 - PPS-exempt cancer hospitals
 - Ambulatory surgical centers (ASCs)



Source: Core Based Statistical Areas, US Census Bureau, Public Domain

PPS: Prospective Payment System





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Site Neutral Payment

Both hospital outpatient and freestanding sites will receive same payment amount

Current FFS Payment
Payment Depends on Site of Service
 (60% of Episodes)

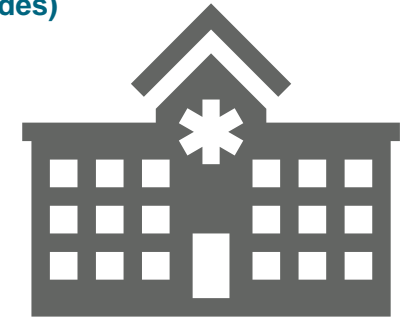
Medicare Physician Fee Schedule (MPFS)			Outpatient Prospective Payment System (OPPS)
Physician's Office  <p>Payment rate includes: professional and technical components</p>	Freestanding Centers  <p>Payment rate includes: professional and technical components</p>	Hospital Outpatient: Physician Component  <p>Payment rate includes: professional component</p>	Hospital Outpatient: Facility Component  <p>Payment rate includes: technical component</p>

Proposed RO APM
Site Neutral
 (40% of Episodes)



Freestanding

Technical Component (TC) +
 Professional Component (PC)
 or
 Dual Participant



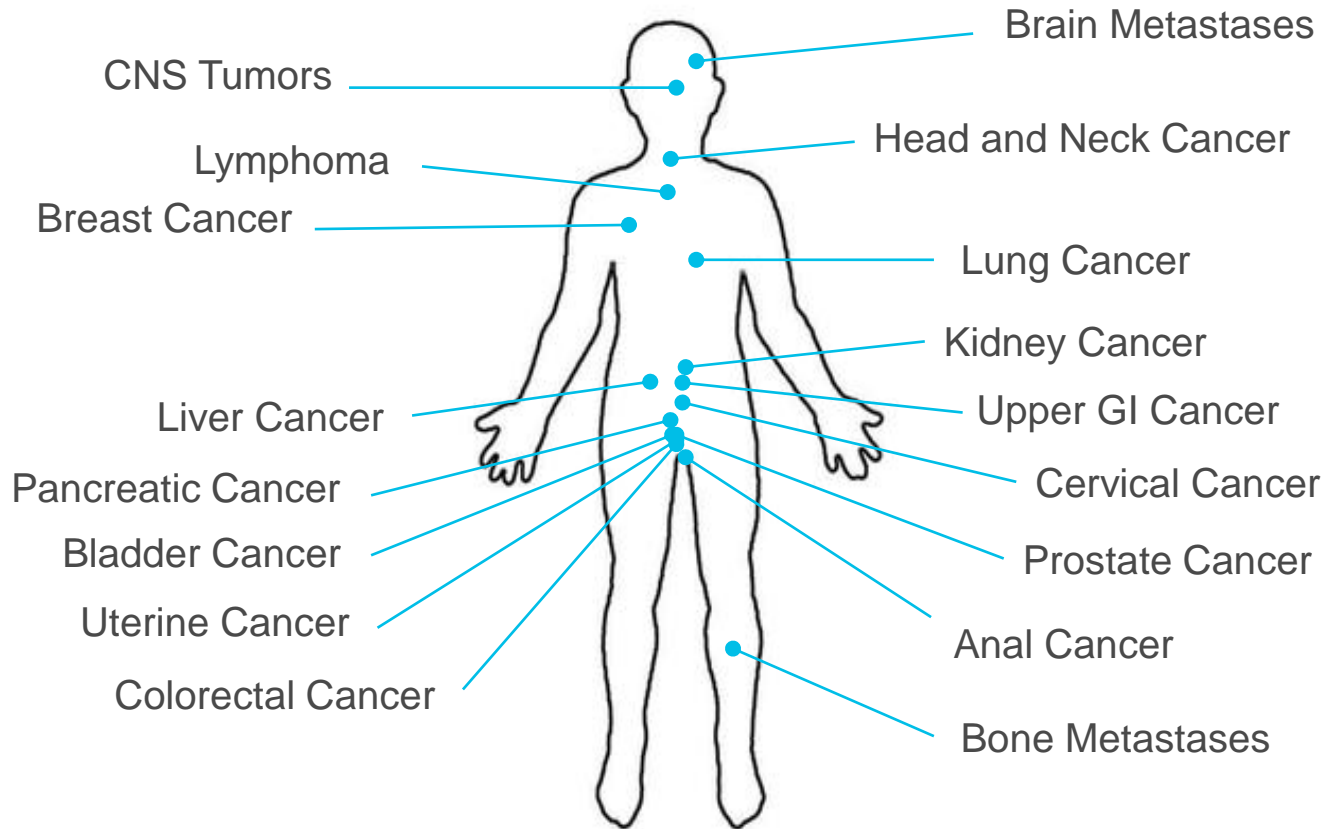
Hospital Outpatient

Technical Component (TC) +
 Professional Component (PC)

The RO APM is site neutral, meaning there is a common payment amount for services regardless of where they are furnished

Cancer Types Included in the RO APM

Inclusive of commonly treated cancer types



Body represents male and female indications and is intended for illustration purposes only.

CMS proposes to include 17 cancer types in the model that will be identified with ICD-10-CM diagnosis codes

TABLE 1: IDENTIFIED CANCER TYPES AND CORRESPONDING ICD-9 AND ICD-10 CODES

Cancer Type	ICD-9 Codes	ICD-10 Codes
Anal Cancer	154.2x, 154.3x	C21.xx
Bladder Cancer	188.xx	C67.xx
Bone Metastases	198.5x	C79.5x
Brain Metastases	198.3x	C79.3x
Breast Cancer	174.xx, 175.xx, 233.0x	C50.xx, D05.xx
Cervical Cancer	180.xx	C53.xx
CNS Tumors	191.xx, 192.0x, 192.1x, 192.2x, 192.3x, 192.8x, 192.9x	C70.xx, C71.xx, C72.xx
Colorectal Cancer	153.xx, 154.0x, 154.1x, 154.8x	C18.xx, C19.xx, C20.xx
Head and Neck Cancer	140.xx, 141.0x, 141.1x, 141.2x, 141.3x, 141.4x, 141.5x, 141.6x, 141.8x, 141.9x, 142.0x, 142.1x, 142.2x, 142.8x, 142.9x, 143.xx, 144.xx, 145.0x, 145.1x, 145.2x, 145.3x, 145.4x, 145.5x, 145.6x, 145.8x, 145.9x, 146.0x, 146.1x, 146.2x, 146.3x, 146.4x, 146.5x, 146.6x, 146.7x, 146.8x, 146.9x, 147.xx, 148.0x, 148.1x, 148.2x, 148.3x, 148.8x, 148.9x, 149.xx, 160.0x, 160.1x, 160.2x, 160.3x, 160.4x, 160.5x, 160.8x, 160.9x, 161.xx, 195.0x	C00.xx, C01.xx, C02.xx, C03.xx, C04.xx, C05.xx, C06.xx, C07.xx, C08.xx, C09.xx, C10.xx, C11.xx, C12.xx, C13.xx, C14.xx, C30.xx, C31.xx, C32.xx, C76.0x
Kidney Cancer	189.0x	C64.xx
Liver Cancer	155.xx, 156.0x, 156.1x, 156.2x, 156.8x, 156.9x	C22.xx, C23.xx, C24.xx
Lung Cancer	162.0x, 162.2x, 162.3x, 162.4x, 162.5x, 162.8x, 162.9x, 165.xx	C33.xx, C34.xx, C39.xx, C45.xx
Lymphoma	202.80, 202.81, 202.82, 202.83, 202.84, 202.85, 202.86, 202.87, 202.88, 203.80, 203.82, 200.0x, 200.1x, 200.2x, 200.3x, 200.4x, 200.5x, 200.6x, 200.7x, 200.8x, 201.xx, 202.0x, 202.1x, 202.2x, 202.4x, 202.7x, 273.3x	C81.xx, C82.xx, C83.xx, C84.xx, C85.xx, C86.xx, C88.xx, C91.4x
Pancreatic Cancer	157.xx	C25.xx
Prostate Cancer	185.xx	C61.xx
Upper GI Cancer	150.xx, 151.xx, 152.xx	C15.xx, C16.xx, C17.xx
Uterine Cancer	179.xx, 182.xx	C54.xx, C55.xx

CNS: Central Nervous System; GI: Gastrointestinal; ICD-10-CM: International Classification of Diseases, Tenth Revision, Clinical Modification

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RO APM Participant National Base Rates

Rates per disease site will be adjusted

- CMS developed national base rates using HOPD cost data from 2015-2017
- These base rates will be adjusted based on:
 - Annual updates
 - Practice historical experience
 - Practice geography
 - Withholds
 - Discounts
 - Beneficiary Cost Sharing
 - Sequester

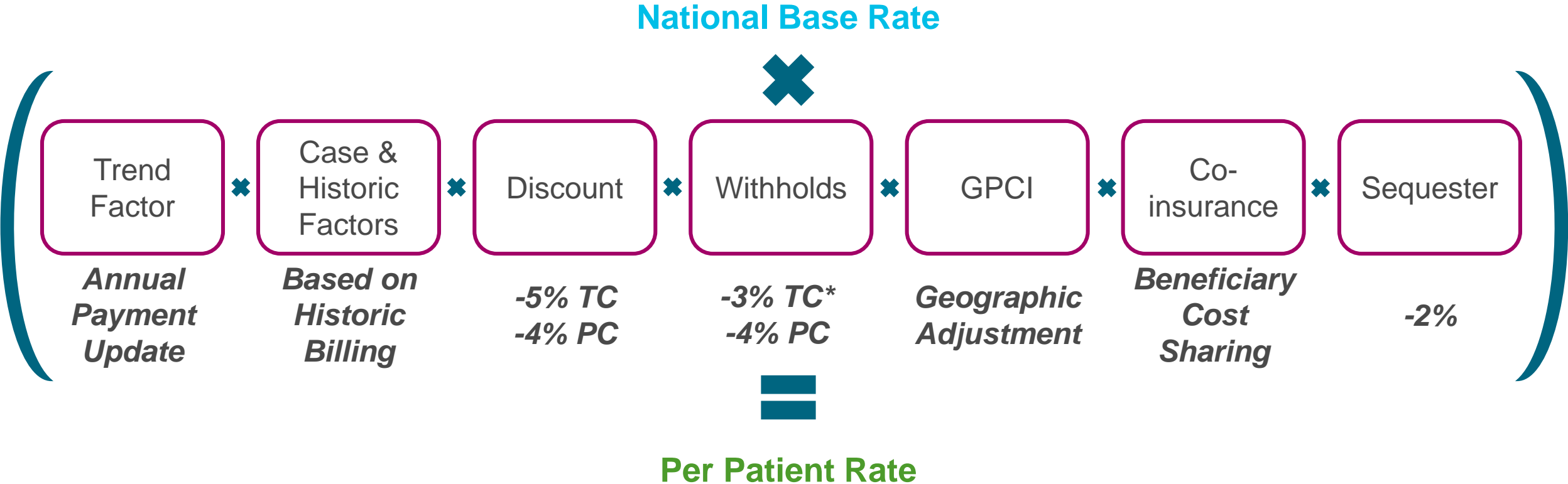
Cancer Type	Professional	Technical	Global/Dual
Anal Cancer	\$2,968	\$16,006	\$18,974
Bladder Cancer	\$2,637	\$12,556	\$15,193
Bone Metastases	\$1,372	\$5,568	\$6,940
Brain Metastases	\$1,566	\$9,217	\$10,783
Breast Cancer	\$2,074	\$9,740	\$11,814
Cervical Cancer	\$3,779	\$16,955	\$20,734
CNS Tumors	\$2,463	\$14,193	\$16,656
Colorectal Cancer	\$2,369	\$11,589	\$13,958
Head and Neck Cancer	\$2,947	\$16,708	\$19,655
Kidney Cancer	\$1,550	\$7,656	\$9,206
Liver Cancer	\$1,515	\$14,650	\$16,165
Lung Cancer	\$2,155	\$11,451	\$13,606
Lymphoma	\$1,662	\$7,444	\$9,106
Pancreatic Cancer	\$2,380	\$13,070	\$15,450
Prostate Cancer	\$3,228	\$19,852	\$23,080
Upper GI Cancer	\$2,500	\$12,619	\$15,119
Uterine Cancer	\$2,376	\$11,221	\$13,597

HOPD: Hospital Outpatient Department

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Participant Specific Payment Calculation



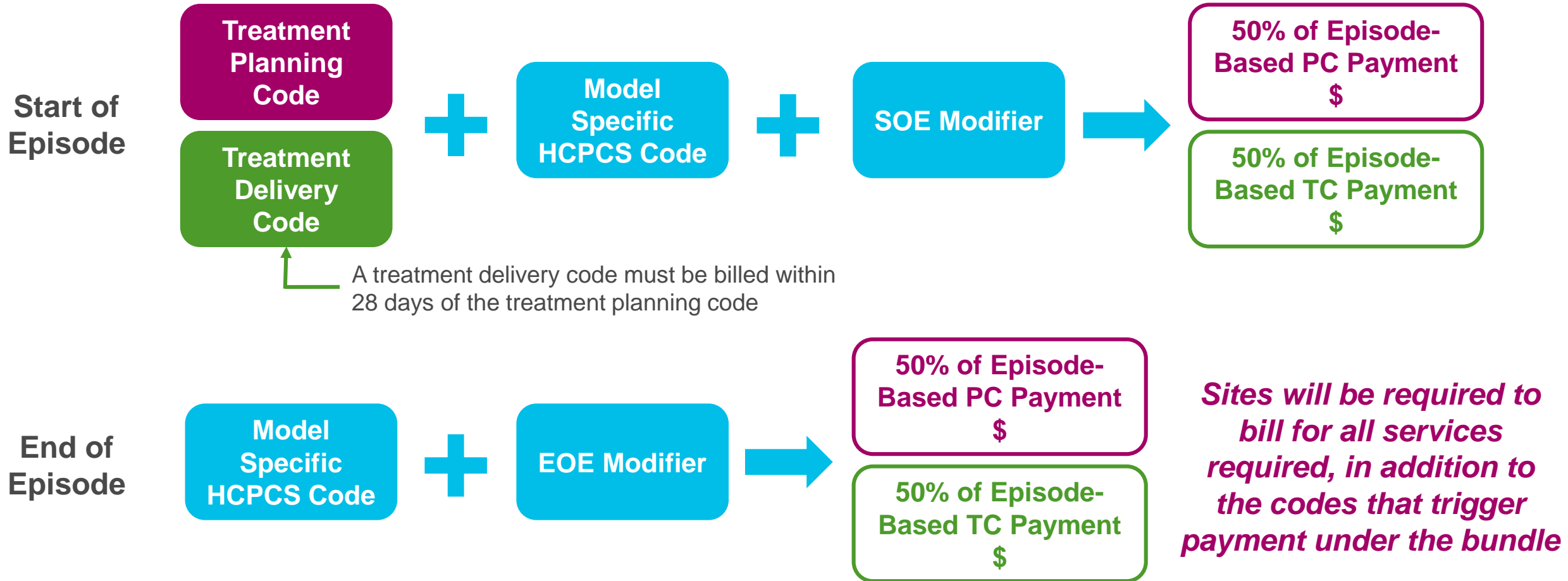
*-2% for PYs 1 and 2, -3% for PYs 3, 4, and 5

GPCI: Geographic Practice Cost Index; PC: Professional Component; PY: Performance Year; TC: Technical Component

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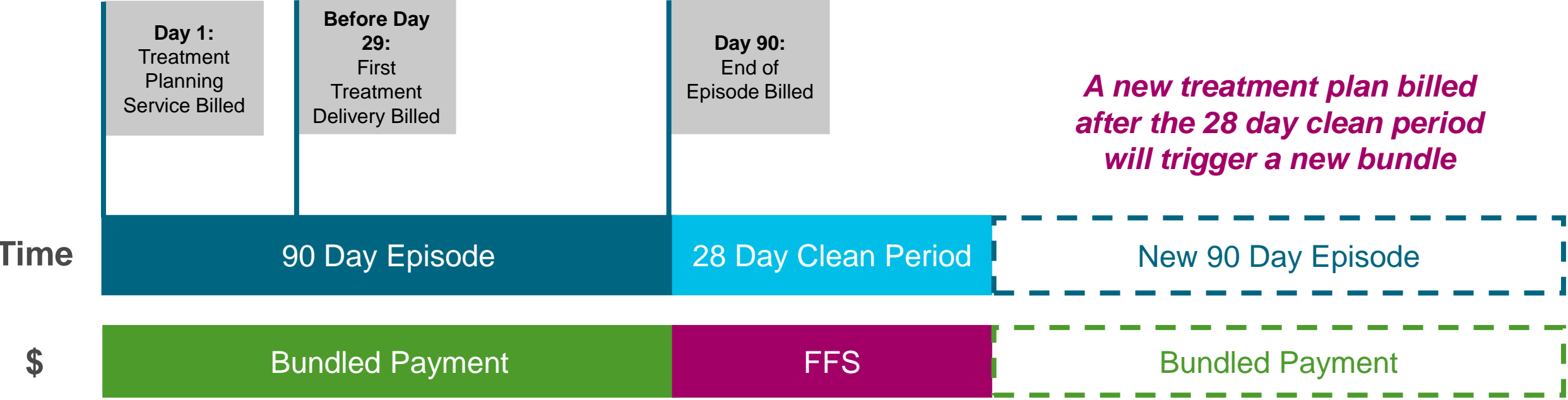


Payment Mechanism — Technical and Professional Components



EOE: End of Episode; HCPCS: Healthcare Common Procedure Coding System; SOE: Start of Episode
Focus where it matters.

Bundled payment will cover all specified RO services provided in a 90-day episode



Quality Measure, Patient Survey, and Clinical Data Reporting

Professional and dual participants will be required to report 4 quality measures

Preventative Care and Screening: Screening for Depression and Follow-Up Plan

Advance Care Plan

Oncology: Medical and Radiation - Plan of Care for Pain

Treatment Summary Communication – Radiation Oncology

Technical and dual participants will be required to submit patient survey data in PYs 3-5

CAHPS Cancer Survey for Radiation

Professional and dual participants will be required to submit clinical data for 5 body sites

Prostate

Breast

Lung

Bone Mets

Brain Mets

CAHPS: Consumer Assessment of Healthcare Providers and Systems

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Summary and Next Steps

Proposed RO APM Summary

Key Takeaways

The RO APM model fundamentally changes the way CMS pays for radiation oncology services by replacing FFS payments with a 90 day episode of care bundled payment

- **APM Details:** The RO APM bundle payment is site neutral, technology agnostic, and unique for 17 different disease sites (skin cancer and benign neoplasms are notable exclusions)
- **Participation:** Participation will be mandatory for sites in selected CBSAs and total participation will represent 40% of RO episodes under FFS Medicare. A full list of participating sites will be released with the final rule in November 2019
- **Payment Mechanism:** The prospective national base rates are set using hospital outpatient data from 2015-2017; a multi-step process will adjust the payment levels per disease site and is site neutral, meaning the rate setting does not differentiate based on setting of care
- **Timing:** Earliest implementation is scheduled for January 1, 2020; CMS is also considering an April 1, 2020 start date
- **Changes:** All details of the RO APM are subject to change based on final rulemaking; CMS will may make edits to the RO APM based on stakeholder input
- **Other Considerations:** While there are no specific provisions for new technology or advanced technology in the RO APM, CMS left the door open for model adaptations for future innovations

Next Steps

Education and Advocacy Efforts

- Elekta is fully engaged on this issue
 - Advocacy efforts are underway from Elekta and members of the RT community to promote fair and adequate reimbursement levels and policy considerations under this proposed RO APM
- Additional webinars and educational opportunities on impact of the RO APM are in the planning stage—*stay tuned for more details on dates and time*
- The RO APM will be addressed at the Elekta User Meeting at ASTRO

Save the Date!

Elekta User Meeting
September 14, 2019





Thank You

Please contact us:

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Questions?

Ask us, we may know