

Changes in Oncology Practice Models, Payment, and Location: The Impact of Health Reform and Delivery Reform

View from an NCI-Designated
Comprehensive Cancer Center

Joe Jacobson
March 22, 2012



Fundamental Questions

- What impact will healthcare reform have on NCI-designated cancer centers?
- How might NCI-designated cancer centers demonstrate value to distinguish themselves from the competition?
- What are the risks to our patients if we fail?

Changes to the Medical Market Place

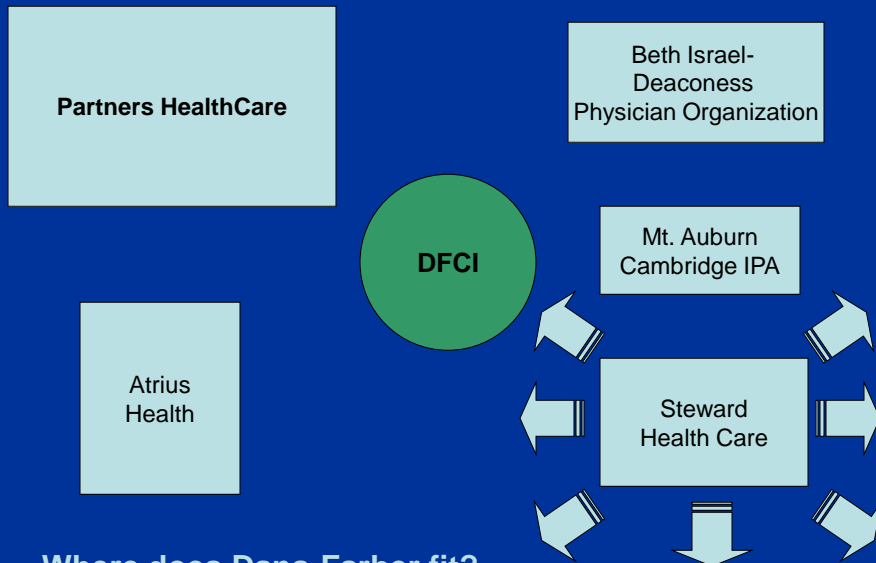
“There are known knowns. These are things we know that we know.

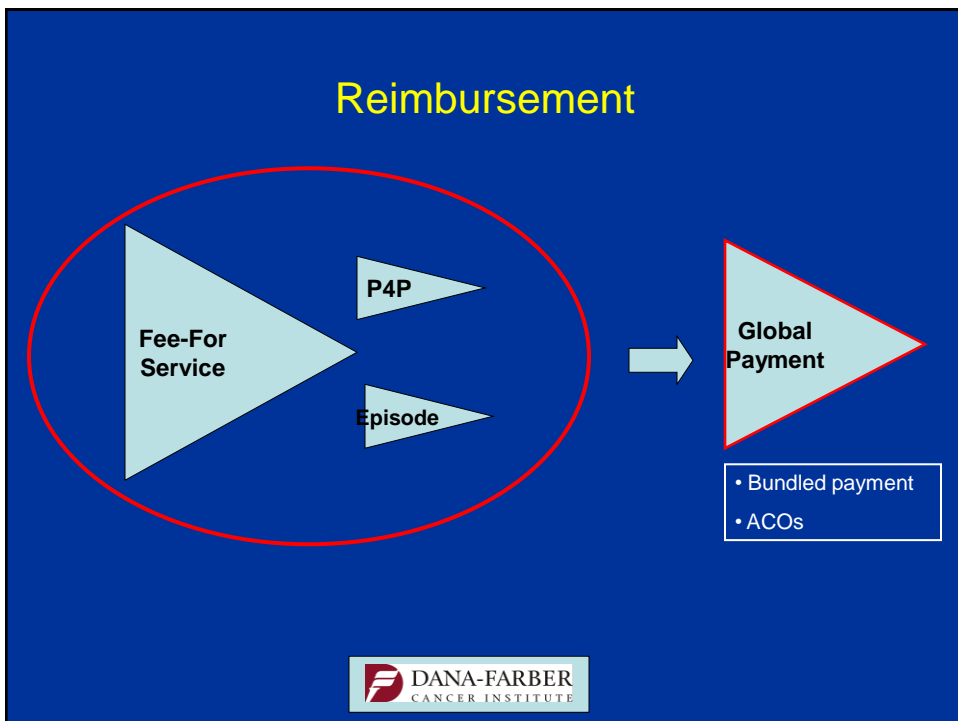
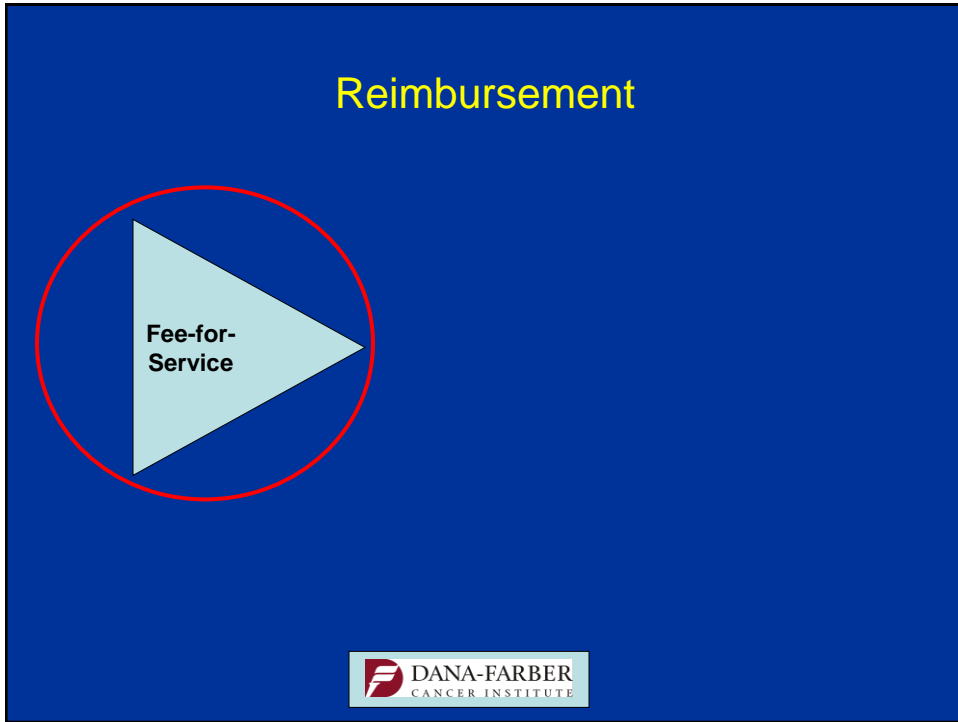
There are known unknowns. That is to say, there are things that we know we don't know.

But there are also unknown unknowns. There are things we don't know we don't know.”

Donald Rumsfeld

2012: CMS Pioneer Accountable Care Organizations





CMS Pioneer ACOs

- 32 ACOs were funded from 160 LOI and 80 applications
 - 3 cluster areas created: **eastern MA**, southern CA and Minnesota Twin Cities
- Initial funding for 3 years with limited sharing of risk by CMS and ACOs
- Successful programs are eligible for 2 further years of funding with a population-based payment model
- Each Pioneer ACO must enter into similar arrangements with other payers to account for 50 percent of the ACO's revenues by the end of the second Performance Period



January 30, 2012, 9:00 PM

The End of Health Insurance Companies

By EZEKIEL J. EMANUEL and JEFFREY B. LIEBMAN



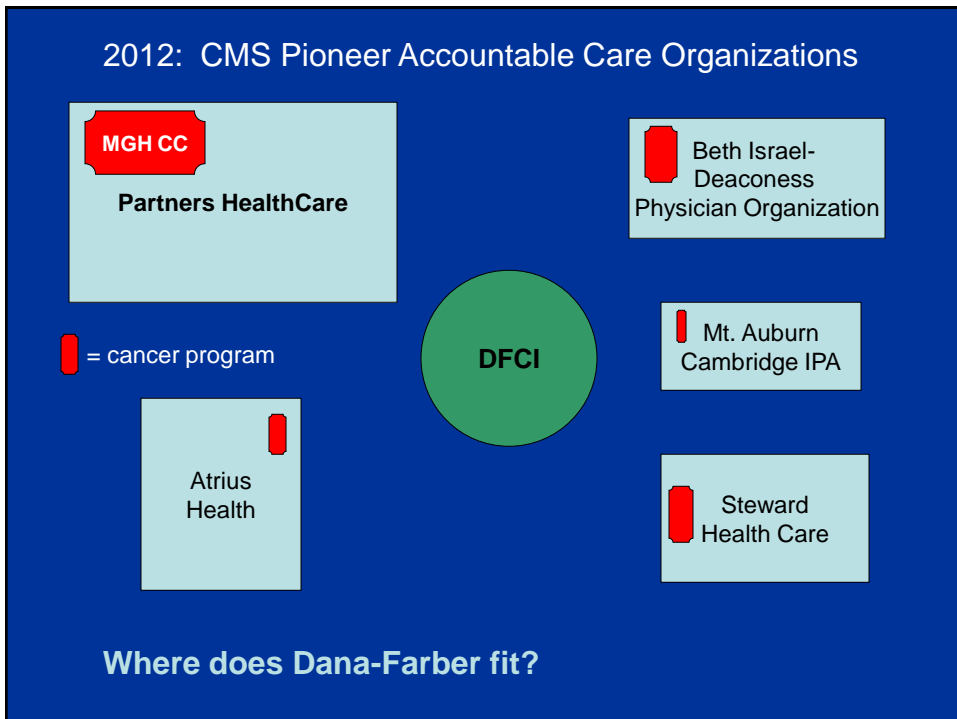
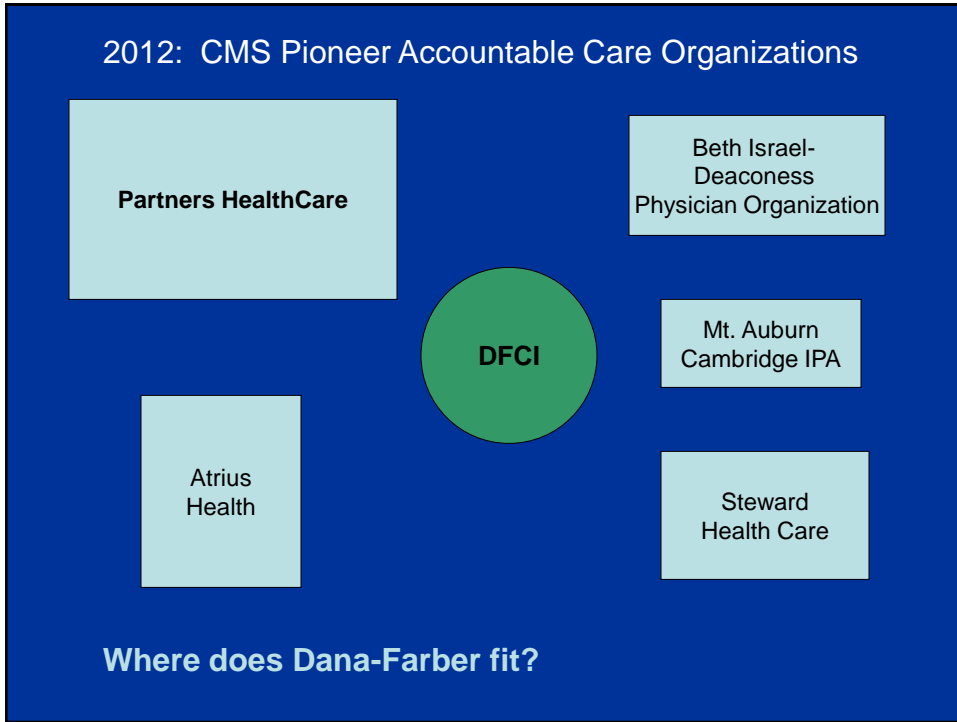
Ezekiel J. Emanuel on health policy and other topics.

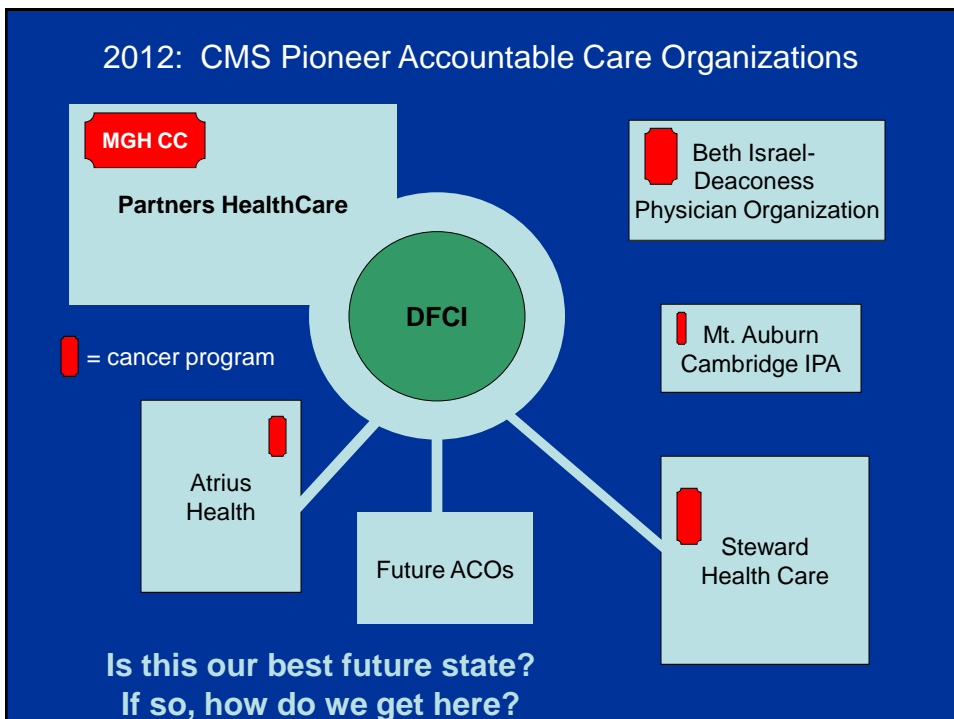
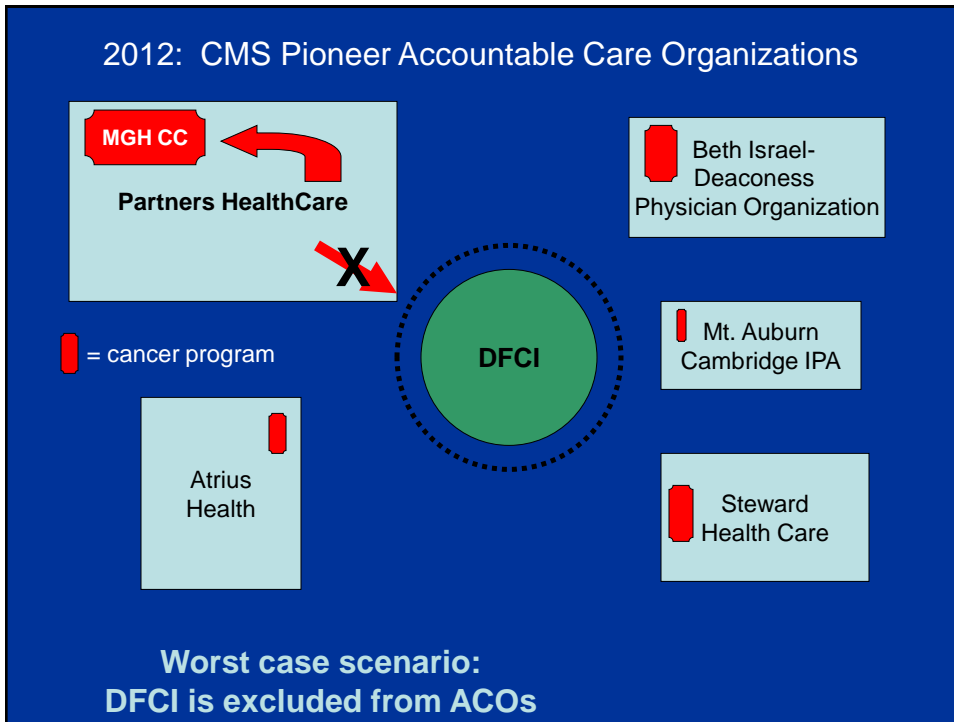
TAGS:

HEALTH CARE REFORM,
HEALTH INSURANCE,
MEDICINE AND HEALTH

Here's a bold prediction for the new year. By 2020, the American health insurance industry will be extinct. Insurance companies will be replaced by accountable care organizations — groups of doctors, hospitals and other health care providers who come together to provide the full range of medical care for patients.

Already, most insurance companies barely function as insurers. Most non-elderly Americans — or 60 percent of Americans with employer-provided health insurance — work for companies that are self-insured. In these cases it is the employer, not the insurance company, that assumes most of the risk of paying for the medical care of employees and their families. All that insurance companies do is process billing claims.





The Boston Globe

Founded 1872

July 16, 2011

“A threat to quality in health care”

By James Mandell and Edward J. Benz Jr.

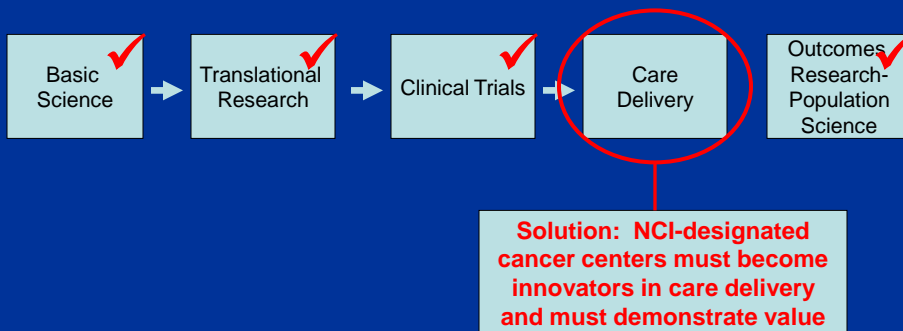
“We must also guard against tiered and limited networks contributing to disparities in access to health care - disparities that the health care community and public officials have worked hard to eliminate. The additional deductibles and co-pays to see certain providers imposed by tiered networks will hit low-income individuals and families hard, and may create fundamental access barriers”



The Threat

- Cancer patients will be excluded from care at NCI-designated cancer centers or will be unable to afford the cost of services because of unfavorable tiering
- NCI-designated cancer centers patient volume will decline
 - Patient base will be reduced to cancer patients with rare and/or highly complex conditions and to high wealth individuals able to afford the cost of care

NCI-designated Cancer Centers Have Always Led in Innovation

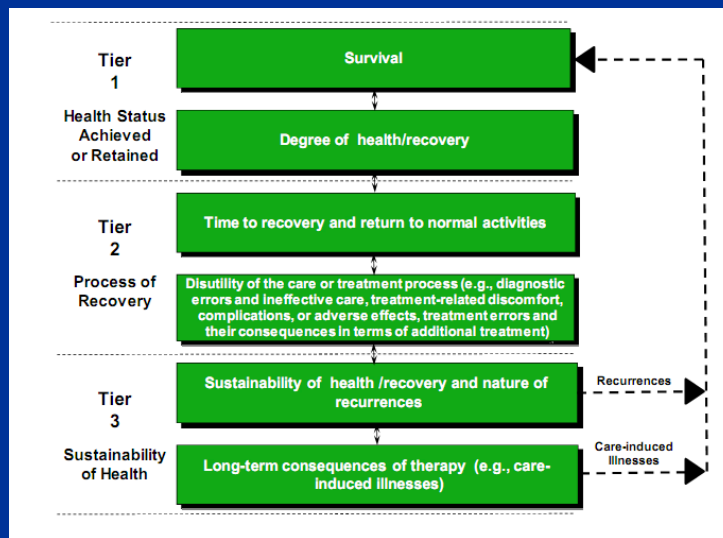


Value = “Outcomes achieved per cost incurred”

- Value
 - Must be defined around the patient
 - Is measured by outcomes of care, not processes
 - Is measured by encompassing all services or activities that jointly determine success in meeting a set of patient needs
 - Encompasses cost of care over the full set of interventions

Porter ME, NEJM 363:2477-81, 2010
(including two online appendices)

The Three Tiers of Outcome



From Porter NEJM 2010 appendix 2

Demonstrating Value: Challenges for NCI-designated Cancer Centers

- Complex infrastructure needed to support a comprehensive clinical research program is costly
- There has been little incentive to streamline processes of care or address inefficiencies
 - Lack of incentives in *current* reimbursement environment
- NCI-designated cancer centers are unprepared to compete in a value-based environment
 - Lack of convincing evidence of improved outcomes

Survival Data

Cancer Centers vs. Community Care:

Fox Chase Publishes Its Cancer Survival Data; The Move is Partly Science, Partly Marketing

By Paul Goldberg

Fox Chase Cancer Center earlier this week published data that showed that the center produced better survival outcomes than community-based hospitals.

The decision to publish these data makes Fox Chase a newcomer in a small group of academic centers as they make the case for patients to choose them over community oncology clinics.

Some data show that specialized centers can produce better outcomes although there are some limitations in comparing outcomes in academic and community settings.

“In these charts, people will see that patients receiving care at Fox Chase Cancer Center have superior outcomes compared to individuals treated for the major cancers in community hospitals,” said Michael Seiden, president and CEO of Fox Chase Cancer Center. “We have always believed that our singular focus on understanding, preventing, and treating cancer leads to a higher overall standard of care, and the figures, on the whole, bear that out.”



Survival Data

Guest Editorial:

Comparing Survival Outcomes Across Centers--Biases Galore

By Donald A. Berry

The Feb. 4 issue of The Cancer Letter reported that some cancer centers are advertising on the Internet by comparing survival outcomes of their patients with national statistics or community-based data.

The fine print in some of these ads suggests that those making claims of superiority worried about the potential for bias. It's good that they worry. But they seem to not understand that the bias is larger than the observed difference.

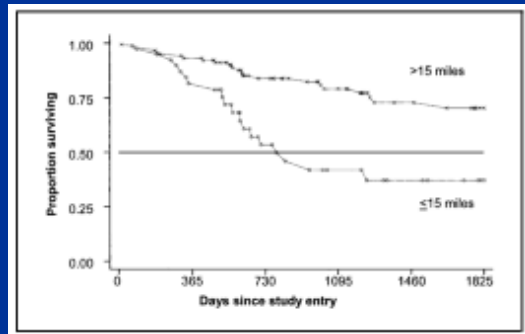


ARTICLES

Is Patient Travel Distance Associated With Survival on Phase II Clinical Trials in Oncology?

Elizabeth B. Lamont, Davinder Hayreh, Kate E. Pickett, James J. Dignam, Marcy A. List, Kerstin M. Stenson, Daniel J. Haraf, Bruce E. Brockstein, Sarah A. Sellergren, Everett E. Vokes

Conclusion: Results of phase II curative-intent clinical trials in oncology that are conducted at specialized cancer centers may be confounded by patient travel distance, which captures prognostic significance beyond cancer stage, performance status, and wealth. More work is needed to determine what unmeasured factors travel distance is mediating. [J Natl Cancer Inst 2003;95:1370-5]



Lamont, EB. JNCI 2003; 95:1370

How Should NCI-designated Cancer Centers Respond?

- Rapid development of capacity to measure value of care in each of the Porter tiers
- Become innovators in healthcare delivery
- Lobby at federal and state levels to eliminate insurance products and contracts that structurally or functionally exclude patients from receiving care at NCI-designated cancer centers

What are the Implications to our Patients of Failing to Respond?

- NCI-designated cancer center clinical volume will decline, revenue will decrease and clinical research and innovation will stagnate

Why Should All Cancer Patients Have Access to NCI-designated Cancer Centers?

“First and foremost, it is critical to note that while cancer care is expensive and necessary, the outcomes are still far worse than we want and need them to be. Research continues to be absolutely necessary to transform fatal, devastating illnesses into either curable or highly manageable chronic diseases that return patients to their pre-cancer quality of life, return people to productive lives in the workforce or managing homes and diminish secondary costs of caring for debilitated people.

We are in the process of translating many other such strategies into new patient treatments, thereby avoiding or delaying the human and financial costs of potentially ineffective chemotherapy in a wide variety of other cancers, from leukemias and brain tumors to ovarian cancers, lung cancers, pancreas cancers, sarcomas and breast cancers, and virtually all other forms of cancer.”

George Demetri, MD (*Director, Center for Sarcoma and Bone Oncology, Dana-Farber*)