



American College of
RADIATION ONCOLOGY
Integrating Science and Technology into Patient Care

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November 1, 2016

Physician-Focused Payment Model Technical Advisory Committee
C/o U.S. DHHS Asst. Secretary of Planning and Evaluation Office of Health Policy
200 Independence Avenue S.W.
Washington, D.C. 20201
PTAC@hhs.gov

Letter of Intent – American College of Radiation Oncology; Episodic Payments for Radiation Oncology

Dear Committee Members,

On behalf of the American College of Radiation Oncology, I would like to express intent to submit a Physician-Focused Payment Model for PTAC review on December 1, 2016.

Payment Model Overview

This model would build on the Oncology Care Model (OCM) to achieve greater bundling of cancer care services. While the OCM focuses on all spending (including radiation therapy) after a given *chemotherapy trigger code*, this model focuses on all expenditures after a *radiation therapy trigger code* (i.e. clinical treatment planning codes: 77261, 77262 or 77263) during a 3 month episode.

Fifteen primary disease groups (e.g. breast, lung, prostate, gastrointestinal, head/neck, skin) and two secondary disease groups (bone and brain metastases) are included in the model, covering most cancers treated with radiotherapy services. Covered modalities under the model include external beam radiation therapy (including photon, proton, electron, neutron, intra-operative), stereotactic body radiation therapy, stereotactic radiosurgery, hyperthermia and brachytherapy. Excluded diagnoses (pediatric tumors, benign conditions and others) and excluded services (consultations and infrequent services and supplies) would continue to be paid on a fee-for-service basis.

Risk parameters could be structured similar to the OCM, while quality components would derive from specific radiation therapy measures included in the MACRA final rule and the OCM. As such, we believe this model would be likely to be considered an “advanced alternative payment model” under MACRA regulations.

Goals of the Model

The goals of the model include specific objectives for patients, payers and providers.

For patients, we believe this model will result in more transparent costs for patients where almost 100% of patient liability can be quantified prospectively. Benefits to patient also include fewer disruptions to care based on authorization decisions which can delay care for weeks.

For payers, case rates would achieve substantially lower treatment intensity risk since case rates are constant regardless of the technology utilized or units of service provided. Decreased administrative costs also are achieved due to changes in provider economic incentives and the elimination of insurers' need for inefficient pre-authorizations as operational model changes to pre-notification and oversight.

For providers, payment predictability and stability would be achieved due to the "de-linking" over time from the volatile physician fee schedule. Providers also would realize reduced administrative burdens given no requirements for dealing with pre-authorizations, elevated appeals processes, etc.

Expected Participants

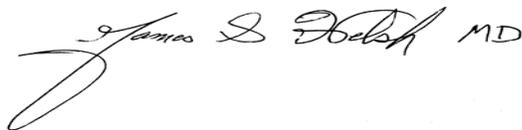
Similar to the OCM, this model would be designed to primarily target transformation of independent physician-led oncology practices and the cancer patients they serve. However, hospital-owned practices, including on- and off-campus provider-based departments, also could apply. Practices owned by or formally affiliated with PPS-exempt cancer hospitals, critical access hospitals, rural health clinics, and federally qualified health centers would not be eligible to apply. Of the roughly 6,000 radiation oncologists nationwide, we expect that 30% would participate.

Implementation Strategy and Timeline

ACRO is a specialty society representing radiation oncologists. We intend to work with the American Society for Radiation Oncology and possibly other stakeholders (e.g. the American College of Surgeons, the American Society of Clinical Oncology, and the American College of Radiology) on this proposal.

We intend to submit a proposal on December 1, 2016. Using the OCM as a guide, there was approximately a 16 month interim period between the announcement of the OCM payment model and the announcement of accepted participants. Interim steps included letters of intent, applications, and several webinars and FAQs on the model. Given the benefit of hindsight, we believe our model could be implemented within 1 year of its announcement.

Sincerely,



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Sincerely,



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