April 14, 2017

Physician – Focused Payment Model Technical Advisory Committee
c/o US DHHS Asst. Secretary for Planning and Evaluation Office of Health Policy
200 Independence Ave SW
Washington, DC 20201
PTAC@hhs.gov

Letter of Intent – LUGPA APM for Initial Therapy of Newly Diagnosed Patients with Organ-Confined Prostate Cancer (“LUGPA APM”)

Dear Committee Members,

On behalf of LUGPA, we express our intent to submit a Physician-Focused Payment Model for PTAC review in the second quarter of 2017. Key features of the LUGPA APM model are described below.

**Payment Model Overview**

The LUGPA APM model will create episode-based payments for newly diagnosed prostate cancer patients with localized disease. Data suggests that a subgroup of this population can safely defer active intervention thus avoiding overutilization of services while reducing morbidity and cost. We have designed an episode-based payment that aligns incentives for physicians to recommend active surveillance in clinically appropriate patients, allowing these patients to avoid unnecessary interventions. The APM will incentivize patient-physician shared decision making, compensating physicians for the management time required to responsibly continue these patients on active surveillance. Benchmarks would be defined based on a practice’s historical clinical decision making, considering prior use of active surveillance vs. immediate intervention. Practices would be eligible for a performance-based payment if they met certain quality thresholds and if total episode spending is less than the benchmark date.

We believe that this model will meet Quality Payment Program (QPP) requirements for an advanced alternative payment model, as we require electronic medical record use, tie payments to quality measures, and require that participating practices bear sufficient financial risk. Participation by smaller practices will be facilitated by variations within the APM with lessened levels of financial risk.

**Goals of the Model**

We believe that this APM model will optimize outcomes, increase beneficiary satisfaction, reduce utilization of unnecessary services while decreasing healthcare spending relative to the current payment system, thereby optimizing both the value and quality of care for newly diagnosed localized prostate cancer patients.
Expected Participants

Our APM model will include patients with early stage prostate cancer with risk profiles that meet predetermined criteria who would begin their episodes of care at initial prostate cancer diagnosis. The model will be accessible to both independent and hospital based urology practices, enabling broad national participation in this APM. The model will include financial parameters to enhance the feasibility of participation by small practices. Also, as more than 40 percent of prostate cancer diagnoses occur before age 65\(^1\) we expect that payers other than Medicare will have substantial interest in this model. This APM was designed recognizing the heterogeneous nature of healthcare delivery for this disease condition; hence we anticipate diverse applicability of our APM model.

Implementation Strategy

This proposal is being submitted by LUGPA.

LUGPA was initially established in 2008 with the purpose of enhancing communication between large urology groups, allowing for benchmarking of operations, promoting quality clinical outcomes, developing new business opportunities, and improving advocacy and communication in the legislative and regulatory arenas. Since its inception, LUGPA has expanded its mission to include smaller group practices that are equally committed to providing integrated, comprehensive services to patients suffering from genitourinary disease. LUGPA currently represents 135 urology group practices in the United States, with more than 2,000 physicians who, collectively, provide approximately 30% of the nation’s urology services.\(^2\) Multiple LUGPA member practices will provide letters of support for this proposed APM as a reflection of the feasibility of the program and the enthusiasm of urologists for such an APM opportunity.

Timeline

We expect this proposal to be submitted in the 2\(^{nd}\) quarter of 2017. If approved, provider organizations could be prepared to implement this payment model in the 2018 calendar year.

We thank you for your consideration and look forward to submitting our full proposal.

Respectfully submitted,

Neal D. Shore, M.D.  
President  
Deepak A. Kapoor, M.D.  
Chairman, Health Policy

---