

Principles to Guide the Evolution of Health Care Payment Systems that Support High-Quality, High-Value Cancer Care

A Joint Statement by the Community Oncology Alliance and the American Society of Clinical Oncology

The Community Oncology Alliance (COA) and the American Society of Clinical Oncology (ASCO) are working on strategies to improve the lives of individuals with cancer. As stakeholders who care for individuals with cancer, we provide the following joint statement on payment models that support high-quality, high-value cancer care.

Joint Principles

1. Oncology professionals are uniquely positioned to play leadership roles in the development of innovative models for oncology care. Any new model must promote access to evidence-based care, improve quality, support the efficient use of resources and help control the overall growth of health care costs. COA and ASCO are actively working on potential solutions to the challenges facing the oncology community, and these organizations embrace the opportunity to collaborate with other stakeholders to explore the viability of innovative strategies.
2. Traditional reimbursement models currently do not provide adequate support for the care coordination and complex disease management necessary for delivery of high quality, high value care in oncology. Improving the quality and value of the care provided to individuals with cancer may require changes that ensure adequate financial, administrative and data support for oncology providers to engage in new approaches that reduce the frequency and severity of clinical complications.
3. Considerable resources, time and effort must be invested by oncology providers to implement many of the changes in delivery models that promise to improve clinical outcomes and reduce overall costs in oncology care. As a result, changes in payment models should be phased-in over multi-year periods. Oncology providers should be protected against significant swings in reimbursement or abrupt changes in future reimbursement policies, especially in the early years of adoption.
4. There are multiple models for the delivery of oncology care that show promise, and oncology providers should have the option to select the approaches that fit the best with the challenges and opportunities in their local community. Among the models that show promise, COA and ASCO highlight two that should be considered for early piloting:
 - Oncology Medical Home. Investing in changes to clinical practices and operations under an oncology medical home model can improve the quality of care and significantly reduce the aggregate costs of cancer care by reducing the frequency of avoidable complications, emergency department visits and unscheduled hospitalizations.

Adopting the oncology medical home requires investment in information technology infrastructure and other practice support to provide the full range of services needed by patients with cancer—throughout the course of their treatment and transition to survivorship.

- **Monthly Payments.** Monthly, non-visit based payment provides flexible and predictable payment to support comprehensive disease management, including telephone and email contact between physicians and patients, visits with non-physician staff, proactive outreach for medication and symptom management, extended practice hours and other services in addition to traditional office visits with physicians. These monthly payments would be higher for patients with conditions requiring more labor-intensive services or patients who are at more acute stages of illness. In return for this more flexible payment methodology, the oncology practice may be required to take responsibility for whether patients avoid oncology-related emergency department visits, hospitalizations and complications.

5. The quality of oncology care should be measured in meaningful ways, and quality measures should play an important role in the evaluation and reimbursement of oncology providers under new delivery models.

6. The current payment methodology used under Medicare Part B of average sales price (ASP) plus six percent is inadequate to cover the costs and risks that oncology providers currently experience in purchasing and maintaining an inventory of expensive cancer drugs with specialized storage requirements. This inadequacy is exacerbated by the cut to Medicare drug payments under sequestration.