The State of Community Oncology

February 4, 2020
Welcome

Michael Diaz, MD
The State of Community Oncology

Ted Okon
Summary State of Community Oncology

- Landscape has stabilized compared to past years
  - Practices still under pressure from hospitals
    - Northwest GA moved to the hospital under a PSA
  - But practices now consolidating among themselves
    - US Oncology, AON, RCCA, QCCA, NCCA, OneOncology
      - West Clinic came out of a PSA relationship with the hospital
- Pressure growing from PBM/insurer complex
  - Increased number of cases where cancer care is being dictated (e.g. “fail first” step therapy, formulary restrictions, prior authorizations)
    - With more oral drugs being used, increased steerage to specialty/mail pharmacies
    - Not just orals but injectables via white bagging
Health Care Fundamentally Changing
Implications for Community Oncology

- Simply "keeping your head down" and seeing patients won’t cut it in this new changing world of health care
  - There are simply too many pressures

- Practices need to innovate and evolve
  - Merging or working with other practices
  - Greater use of data analytics
  - Creative contracting with payers
    ▪ Assuming two-sided risk
    ▪ Population and bundled arrangements
  - Infusing other specialty treatments
  - Direct contracting with employers
  - Etc., etc., etc.

- Practices need to challenge the definition of what they are/do
Advocacy remains at the heart of COA’s purpose and practice. We estimate that, in 2019, COA members, staff, and advocates had nearly 500 meetings with legislators and policy makers, including six dedicated Hill Days, and countless local advocacy events.
2019 Year in Review: Major Accomplishments

• Holding off International Pricing Index (IPI) from radically changing how cancer patients have just-in-time access to critical drugs
  − Meetings with HHS Secretary and CMS Administrator
  − Lots of media exposure
  − Congressional support

• Fought back attempts to lower Medicare drug reimbursement in drug pricing bills

• Introduced a proactive approach in “ASP tiering”
  − House amendment on H.R. 3, and now in Senate bill

• Launched a major national campaign – PBM Abuses – to highlight how PBMs adversely impact patient care
  − www.PBMAbuses.org
2019 Year in Review: Major Accomplishments (continued)

- Accomplishments that fly under the radar screen…
  - Helping overturn an attempt by the Michigan CON Commission to limit CAR-T (and all new gene therapies) administration to four big academic centers
  - Fighting to stop step therapy decisions in Tennessee and other states
  - Fighting to stop white-bagging in Tennessee and other states
- Released the OCM 2.0 model
- Held the 10th national *Payer Exchange Summit on Oncology Payment Reform*
  - 250 stakeholders with large employer presence
2019 Year in Review: Major Accomplishments (continued)

• Advocacy has never been more intense
  - CPAN advocates took to Capitol Hill and held 55 meetings in just one day focused on PBM abuses
  - COA helped practices across the country host local “Sit in My Chair” events for legislators and staff
  - CPAN continues to grow thanks to I Am Community Oncology campaign, along with COA TV waiting room network
  - COA released close to 30 major comment letters on rules/proposals, statement, and press releases
  - COA Government Affairs & Policy (GAP) Committee produced and release seven major policy statements
  - Stepped up our digital and social media advocacy, through our website, more engagement on Facebook, YouTube, Twitter, LinkedIn, etc.
2019 Year in Review: Major Accomplishments (continued)

Biggest Community Oncology Conference ever, again!
2020 COA Priorities

- Increase legislative advocacy/education initiatives on key issues
  - PBM
  - 340B
  - ASP-based drug reimbursement
  - Biosimilars

- Advance oncology payment reform
  - OCM 1.0
  - OCF
  - OCM 2.0

- Help practices network and share best practices

- Continue to increase/enhance advocacy and media outreach
  - CPAN
  - I Am Community Oncology and COA TV
2020 Legislative/Regulatory Priorities

• Focus on fixing key PBM issues
  − Cancer patients facing delays and denials in getting their oral cancer drugs
  − PBM’s “trolling” for patients to pull them away from their providers
  − PBM’s restricting physician/patient choice
    ▪ Step therapy, biosimilars
  − PBM’s “extorting” DIR fees

• Support existing PBM bills and introduce two major bills
  − Support existing bills on prior authorization and DIR fees
  − Support greater PBM transparency
  − Legislation that requires cancer patients get their medications delivered by a PBM/specialty/mail order pharmacy within 72 hours
  − Legislation that requires PBMs implementing “quality” programs be relevant to the specialty involved
2020 Legislative/Regulatory Priorities (continued)

• Fix the broken 340B program
  - Continue to produce data/information to support fixing 340B

• COA believes that 340B discounts should “follow the patient”
  - Not go to the institution but to the patient
  - Legislation could “redistribute” the $26B pool of 340B discounts to help patients in need, regardless of the site-of-care
    ▪ Help patients truly in need afford their drugs
    ▪ Neediest patients relieved of their copayments
    ▪ Ensures that no patient goes without medication
2020 Legislative/Regulatory Priorities (continued)

• Continue to monitor for ill-advised attempts to change the current just-in-time delivery of cancer treatment
  – Directly via white or brown-bagging
  – Indirectly via additional cuts in reimbursement
  – Wait tonight to see if the D.C. rumor mill delivers on a big IPI Model announcement

• Promote the COA “ASP tiering” concept

• Protect physician choice
  – Especially with biosimilars
Leading Oncology Payment Reform in 2020

- Continue to support the OCM 1.0
- Continue to build on the OCM 2.0
  - Stay tuned for how this plays into COA’s focus on employers as primary payers
- Help modify the OCF as a successor model to the OCM 1.0
- Waiting for the the Oncology Radiation model to resurface
- Employers, employers, employers
- More on all of this in bit
COA 2020 General Priorities

• Ensure practices are ready for MAJOR Medicare coding changes coming in 2021
  – Did I say MAJOR?

• Continue to build our very successful Fellows Initiative
  – Want to build this into an Oncology Fellows College

• Continue to build CPAN chapters across the country
  – And add COA TV into every practice in the country

• Publish more studies and data
  – Oral Cancer Drugs: Distribution Pipeline, Patient Issues, and Waste
  – The Cost Components of Cancer Care (Updated)
Standing COA Committees

• Government Affairs & Policy Committee
• Committee of Oncology Payment Reform
• Biosimilars Committee
• CAR-T Task Force
• Conference Committee
COA Initiatives & Networks

- COA Patient Advocacy Network (CPAN)
- COA Administrators Network (CAN)
- Community Oncology Pharmacy Association (COPA)
- COA Oncology Care Model Network (OCM Network)
- COA Oncology Patient Navigator Network (COPNN)
- COA Advanced Practice Provider Network (CAPP)
- COA Fellows Initiative
How Can You Help and Get Involved?

• Support studies
  – *Oral Cancer Drugs: Distribution Pipeline, Patient Issues, and Waste*
  – *The Cost Components of Cancer Care* (Updated)

• Support the Fellows Initiative

• Support national and local CPAN events

• Help us grow *I Am Community Oncology* campaign and COA TV
COA/2020 Community Oncology Conference

SAVE THE DATE
APRIL 23–24, 2020
WALT DISNEY WORLD
DOLPHIN HOTEL | ORLANDO, FL

#COA2020
save the date
THE PREVENT CANCER FOUNDATION® ANNUAL SPRING GALA
Thursday, May 14, 2020

Masterpiece in Bloom
THE KINGDOM OF THE NETHERLANDS

HONORARY PATRONS
His Excellency, the Ambassador of the Kingdom of the Netherlands André Haspels and Mrs. Bernie Haspels

CANCER CHAMPIONS
Representative Terri Sewell  Representative Greg Walden

HONORARY CONGRESSIONAL CO-CHAIRS
Chairman Lisa Murkowski  Chairman Frank Pallone
Senator Ron Wyden  Representative Fred Upton

GALA CO-CHAIRS
Tim Day  Susan and Ted Okon

DINNER COMMITTEE CO-CHAIRS
Bruce Harris  Jennifer Griffin

TICKETS AND SPONSORSHIPS
Lorelei Mitrani  703.519.2102
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Thanks!!!

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Community Oncology Roundtable

Michael Diaz, MD
Jeff Mortier
Kashyap Patel, MD
Mark Thompson, MD
Sarah Walter
Latest on Oncology Payment Reform

Bo Gamble
Kashyap Patel, MD
Lalan Wilfong, MD
OCM, OCF, OCM 2.0

• OCM
  - Decisions made December 3\textsuperscript{rd}, 2019
  - Focus for next 18 months

• OCF
  - Initial ideas
  - Design requests

• OCM 2.0
  - Universal model
  - Tiered approach

• Discussion
## OCM Reminders

<table>
<thead>
<tr>
<th>OCM</th>
<th>OCM (No Risk)</th>
<th>OCM –Original Risk</th>
<th>OCM-New Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoupment</td>
<td>N/A</td>
<td>Actual amount is more than target amount</td>
<td>Actual amount more than benchmark</td>
</tr>
<tr>
<td>Recoupment Calculation</td>
<td>N/A</td>
<td>Actual expenses minus Target Amount</td>
<td>Actual expenses minus benchmark</td>
</tr>
<tr>
<td>Stop Loss</td>
<td>N/A</td>
<td>20% of benchmark</td>
<td>8% of revenue plus chemo</td>
</tr>
<tr>
<td>Advanced APM Status</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>AAPM Bonus</td>
<td>N/A</td>
<td>5% - Professional service</td>
<td>5% - Professional Services</td>
</tr>
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## OCM Reminders

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<th>OCM – Original Risk</th>
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<tbody>
<tr>
<td>OCM Discount</td>
<td>4%</td>
<td>2.75%</td>
<td>2.5%</td>
</tr>
<tr>
<td>PBP Milestones</td>
<td>Actual expenses &lt; Target Amount</td>
<td>Actual expenses &lt; Target Amount</td>
<td>Actual expenses &lt; Target Amount</td>
</tr>
<tr>
<td>PBP</td>
<td>Target amount minus actual expenses</td>
<td>Target amount minus actual expenses</td>
<td>Target amount minus actual expenses</td>
</tr>
<tr>
<td>Stop Gain</td>
<td>20% of benchmark</td>
<td>20% of benchmark</td>
<td>16% of revenue + chemo</td>
</tr>
<tr>
<td>Stop Loss</td>
<td>N/A</td>
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Oncology Care Model Decisions

• 68 responses of 175 Practices
  – A few surprises
    ▪ Two-sided risk
    ▪ Re-insurance
    ▪ Themes for reasons
  – COA focus

• CMMI final results – “…anticipate within the next month or so.” (As of January 15th)
TSR Decision

- We did not achieve a PBP in PP1-PP4 and have decided to drop out of the model. 15%
- We did achieve at least one PBP in PP1-PP4 and have decided to drop out of the model. 2%
- We did not achieve a PBP in PP1 - PP4 and have decided to enter the two-sided risk arrangement. 32%
- We did achieve at least one PBP in PP1-PP4 and have decided to stay in the one-sided risk arrangement. 47%
Past Performance
Other observations

• Practice size taking TSR
  - 679 MDs in TSR
  - Highest count = 160
  - Lowest count = 2
  - Average size = 29.5

• Reinsurance
  ▪ Taking re-insurance = 6
  ▪ Not taking reinsurance = 17
  ▪ Undecided = 2

Average MD group size taking reinsurance = 17
Reasons for TSR

• Logic and process explained
• Thorough explanations
• Themes
  – Expect to do better in the OCM x 7
  – It is the future x 5
  – Safe zone x 4
COA Next Steps

• Report management self-sufficiency
• Improving the understanding of TSR
• Detail strategies to lower the total cost of care
• Solutions to these OCM issues
  – Biosimilars
  – Therapeutic interchange
  – Imaging
Oncology Care First

• RFI released RFI November 1\textsuperscript{st}, 2019
• Listening session November 4\textsuperscript{th}, 2019
  - Comments were due November 25\textsuperscript{th}, 2019
  - Due date extended to December 13\textsuperscript{th}, 2019 (After numerous requests)
• COA comments submitted December 13\textsuperscript{th}, 2020 (Comment letter was longer than the RFI)
<table>
<thead>
<tr>
<th>OCF Component</th>
<th>COA Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeline</td>
<td>Extend 1 year &amp; unreasonable to expect OCM TSR participants to start with TSR in OCF</td>
</tr>
<tr>
<td>Practice transformation activities</td>
<td>Same as OCM but minimize administrative burden</td>
</tr>
<tr>
<td>ePROs</td>
<td>Ramp-up periods</td>
</tr>
<tr>
<td>Enhanced payment structure</td>
<td>TRANSPARENCY, TRANSPARENCY</td>
</tr>
<tr>
<td>MEOS to MPP</td>
<td>TRANSPARENCY &amp; ramp-up of services in MPP</td>
</tr>
<tr>
<td>Shared savings versus gain sharing</td>
<td>More emphasis on shared savings and less emphasis on gain sharing</td>
</tr>
<tr>
<td>Beneficiary out-of-pocket</td>
<td>Minimize beneficiary costs</td>
</tr>
<tr>
<td>Prediction model</td>
<td>Risk Adjustment Factors instead of HCCs</td>
</tr>
<tr>
<td>Novel therapy/trend factor adjustments</td>
<td>Disease level not practice level</td>
</tr>
<tr>
<td>Drugs</td>
<td>Tiered ASP &amp; ramp-up in MPP</td>
</tr>
</tbody>
</table>
Oncology Care First

• Repeat of emphasis in OCM
  - Reduce administrative burden
  - Transparency, Transparency
  - Timely reporting
  - Issues from the OCM…
    ▪ Trend factor by disease
    ▪ Novel therapy by disease
    ▪ Biosimilars
    ▪ Therapeutic interchange
    ▪ Appropriate geographic benchmarking
    ▪ Socioeconomic considerations
OCM 2.0

- No longer a PTAC model to replace the OCM
- BUT, a foundation for all reform models (Universal model)
  - Parts of OCM, OCF
  - Others (Total 22+)
  - Medicare Advantage
  - Tiered
  - All stakeholders
OCM 2.0

• 3 Tiers (at least) – Complexity and goals
  – Entry
  – Intermediate
  – Advanced

• Components across all tiers
• Differences within tiers
• Gaps to be addresses
• Address OCM and OCF issues
• Implementation considerations
OCM 2.0 – Components

- Attribution
- Care delivery
- Measures
- Casemix
- Payment
  - PMPM
  - Shared savings
  - Risk tracks
- Drugs
Discussion
New Initiatives with Employers

Robert Baird, J., RN, MSA
Nick Ferreyros
Fred Schnell, MD