
HEALTH PLAN WEEK

Insurers Hit Technology Barriers in Building Value-Based Payment Models for Oncology

Many insurers building value-based payment models have set their sights on oncology, driven by high care costs, particularly for expensive drugs, and broad variation in patterns of care. But a new study released by Deloitte warns that technology can mean the difference between success and failure, with features such as real-time data sharing offering a link between plans and providers to quickly identify patients and deliver interventions.

Cigna Corp. is one insurer that has deployed oncology patient-centered medical homes (PCMHs) to improve quality and slow the rate of cost increases. It reports that the model has helped it bend the cost curve and reduce unnecessary hospital stays for the past two years. Cigna also is part of CMS's Oncology Care Model (OCM), a multi-payer value-based payment program launched last July that CMS says is "focused on providing higher quality, more coordinated oncology care."

Deloitte's report, published on April 18 by *Evidence Based Oncology*, a publication of *The American Journal of Managed Care*, reveals that many organizations are experimenting with ways to control costs and increase the quality of care while still allowing for advances in treatment.

For the study, researchers from the Deloitte Center for Health Solutions said they interviewed 18 individuals from health plans, provider groups and clinical pathway developers that are participating in, supporting, or evaluating oncology payment models. Their goal was to understand what approaches are perceived to be working, and what the early financial and clinical results have been.

Deloitte identified four models: financial incentives for adhering to clinical pathways, bundled payments, specialty accountable care organizations (ACOs) and PCMHs.

Sonal Shah, a senior manager at the Deloitte Center for Health Solutions and co-author of the study, says Deloitte conducted the study because it saw an increasing number of private insurers piloting alternative payment models specifically in oncology. "We wanted to understand how these models were working out, and what some of the challenges have been," she says. "Oncology

is a high-cost disease area, so it's not a surprising target for cost savings. But we also wanted to understand how standardized care and payment models were impacting patient care and the use of innovation."

Shah says Deloitte researchers were surprised by the complexity of the technology challenges specific to value-based payment models in oncology. "We've heard in general that technology investments are important in the shift to value-based care — specifically analytics capabilities and dashboards that can help measure performance."

The study showed that in oncology, traditional electronic medical record and claims data do not have the level of granularity required to track a patient's specific tumor type and other characteristics that would help determine the most appropriate care pathway, she says.

In addition, clinical pathways were pervasive among those surveyed, Shah says. "Every organization we interviewed, regardless of payment model participation, was implementing a clinical pathway tool to help drive physicians to the most cost-effective drug treatments."

Despite the varied approaches to implementing clinical pathways, the use of the tool was consistent. Many organizations claimed that adhering to the pathways resulted in savings, she says.

Cigna Tackles Readmissions With PCMH

The study also found that simple patient-centered approaches can make big changes in outcomes. For example, having a nurse follow up with patients who are in chemotherapy treatment to see if they are exhibiting signs of dehydration could help to avoid an ER visit or admission, Shah says.

Cigna HealthCare discovered the same thing. According to Bhuvana Sagar, M.D., national medical director for oncology at Cigna, two years ago Cigna began trying to avoid admissions for chemotherapy patients through the use of oncology specialist PCMHs.

Chemotherapy patients who visit the ER usually end up being admitted, Sagar says, but it can be avoided by having doctors and staff in the PCMH available 24 hours a day to field concerns, and by focusing on educating patients about managing their pain, nausea and hydration.

For Cigna's program, the oncologists have remote access to the patients' electronic health record (EHR), and they can assess the situation and advise the patient or ER staff in order to avoid admissions.

Though Cigna is still analyzing data surrounding this effort, initial results show that the oncology PCMH model has lowered admissions, Sagar says. She calls the preliminary results of the program "very encouraging."

Nine oncology practices have contracted with Cigna to participate in its new medical home approach, each at varying places "along their journey toward value-based care," Sagar says. Cigna meets regularly with all of them to discuss concerns and work through any issues, but so far she hasn't encountered any problems. "Overall, it has been received very well by the provider community," she says.

Sagar is encouraged. "We're changing the way we are doing things," she says. "I can sense that change when we talk to the provider groups."

Cigna pays the participating oncology practices a care coordination fee to cover the costs of the data exchange and the time involved in managing the PCMH. "Over time, we are hoping there will be enough savings that we can incentivize providers with the savings we've generated," she says. "We understand it's resource-intensive to participate."

Some of the costs participating oncology practices must incur include the need for potentially more staff — and staff members who can work longer hours to field the concerns of patients.

"Data becomes the key" to program success, Sagar says. "It is important to be able to analyze the cost drivers, to look and see where the expenses are occurring and to find what is avoidable."

CMS's Oncology Care Model Ties In

Deloitte's report comes less than a year after the federal launch of the OCM. Under the model, oncology groups work toward value-based care models for treating and billing for cancer. According to the Deloitte report, "OCM is a 2-part payment system, resembling a PCMH and a bundled payment model. Many of these models target drug spending."

Along with Cigna, 16 other private payers are also part of OCM. Participants share costs with CMS at the start of chemotherapy, and this includes the costs for chemotherapy and other services for six months. That is an important feature of the program, Deloitte says, because the majority of savings are expected to come from containing drug costs. Deloitte researchers analyzed commercial claims data from Truven Health Analytics Inc. for stage I breast cancer patients in 2014 and found costs ranging from \$500 to \$200,000, with an average episode costing \$30,000.

Cigna's PCMH model, begun a year earlier, fit nicely into OCM's plan, so Cigna decided to participate, Sagar says. Cigna is not mandated to remain in the CMS program for its entirety over the five years, but the insurer plans to do so, not only because it is seeing results, but because it provides "a valuable way to partner with providers."

View the study at <http://tinyurl.com/lfnokj5>. Contact Shah at sonshah@deloitte.com and Sagar via Mark Slitt at mark.slitt@cigna.com. ✧

by Diana Manos