

## Health Policy Update – July 11, 2019

### CMS Announces Radiation Oncology (RO) Model Proposed Rule

#### Episode-Based Payments would be Site Neutral

Today, the Centers for Medicare and Medicaid (CMS) announced a proposed Radiation Oncology (RO) Model that would test whether prospective, site neutral, episode-based payments to physician group practices (PGPs), hospital outpatient departments (HOPD), and freestanding radiation therapy centers for radiotherapy (RT) episodes of care would reduce Medicare expenditures while preserving or enhancing the quality of care for Medicare beneficiaries.

The proposed RO Model would test the cost-saving potential of prospective episode payments for certain RT services furnished during a 90-day episode and whether shorter courses of RT would encourage more efficient care delivery and incentivize higher value care. The RO Model would qualify as an Advanced APM and a Merit-based Incentive Payment System (MIPS) APM for the Quality Payment Program. The five year model is currently projected to begin either January 1, 2020 or April 1, 2020, and end December 31, 2024. Please see a high-level summary of the proposed RO Model below.

#### Model Details:

- The Model would be mandatory for all RT providers and suppliers within randomly selected Core-Based Statistical Areas (CBSAs).
- The Model would include prospective payments for certain RT services furnished during a 90-day episode for 17 cancer types.
- The Model would include Medicare beneficiaries who have a diagnosis of at least one of the included cancer types and receive RT services from a provider or supplier in one of the selected CBSAs.
- The Model would not account for total cost of all care during the 90-day episode; rather it would only cover select RT services during the episode.
- Beneficiaries would have the right to choose to receive RT services in a geographic area not included in the RO Model, and professional RO participants would be required to notify beneficiaries of their inclusion in the Model.

#### Pricing and Payment

- The Model would transition to site-neutral payment by establishing a common, adjusted national base payment amount for the episode, regardless of where it is furnished.
- Episode payments would be split into 2 components: the professional component (PC) and the technical component (TC).
- The payment amounts would be determined based on proposed national base rates, trend factors, and adjustments for each participant's case-mix, historical experience, and geographic location.

- CMS would also apply a discount factor, which would reserve savings for Medicare and reduce beneficiary cost-sharing. The discount factor for the PC would be 4%, and the discount factor for the TC would be 5%.
- The payment amount would also be prospectively adjusted for incomplete episodes (2% for PC and TC), quality (2% for PC), and beneficiary experience (1% for TC starting in 2022).
- RO participants would have the ability to earn back a portion of the quality and patient experience withholds based on their reporting of clinical data, their reporting and performance on quality measures, and, as of PY3, performance on the beneficiary-reported Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Cancer Care Radiation Therapy Survey.
- CMS would assess RO participants' performance on measures of quality and patient experience and tie those assessments to payment.

### **Overlap with Existing Models**

CMS notes that there may be overlap between the RO Model and other Innovation Center Models or CMS programs. CMS believes the RO Model is compatible with existing models, including the Oncology Care Model; however, it will work to resolve any potential overlaps that could result in repetitive services, duplicative payment of services, and duplicative counting of savings or other reductions in expenditures.

- To read the Proposed Rule [CLICK HERE](#)
- To read the CMS Fact Sheet on the Model [CLICK HERE](#)
- To read the CMMI Fact Sheet on the Model [CLICK HERE](#)