

## CMS PROPOSES MANDATORY BUNDLED PAYMENT MODEL FOR RADIATION ONCOLOGY

CMS recently proposed a long-awaited bundled payment model for radiation oncology that would replace Medicare's fee-for-service payments in certain geographic areas.

The proposed alternative payment model would make prospective, episode-based payments to providers and suppliers of radiotherapy services for 17 different types of cancer. It would be implemented in randomly selected geographic regions, and participation would be required for all providers in those regions.

The American Society for Radiation Oncology (ASTRO) applauded the model's goals of promoting value-based care, but it questioned the participation requirements.

"While we are enthusiastic for the opportunity to achieve payment stability and enhance patient outcomes, we have concerns about launching a model that requires mandatory participation from such a large number of radiation oncology practices at the outset," ASTRO said. "Given the significant and rapid change involved in the model, we remain concerned about forcing some unready practices to participate while at the same time prohibiting others that are well-prepared."

Under the proposed model, each prospective payment to radiotherapy providers would be based on a 90-day episode of care. Providers would keep any savings if the cost of care is less than the bundled payment, but they would be responsible for spending above the payment amount.

CMS said the bundled payment model would be site-neutral and would eliminate incentives that encourage physicians to provide a high volume of services.

Medicare currently pays for radiotherapy under two different payment systems. If the therapy is provided at a freestanding radiation therapy center, Medicare pays under the Physician Fee Schedule. If the therapy is provided at an outpatient department of a hospital, Medicare pays under the Outpatient Prospective Payment System. The separate systems create site-based payment

differences and may encourage Medicare providers to furnish radiotherapy in one setting over another, even though the treatment is the same in both settings, CMS said in a Fact Sheet on its proposed model.

The administration has been pushing for site-neutral payments between hospital outpatient facilities and physicians' offices and is embroiled in a lawsuit stemming from its site-neutral payment policy for clinic visits.

CMS has been exploring a bundled payment model for radiation oncology for five years. In 2017, as required by the Patient Access and Medicare Protection Act of 2015, HHS submitted a report to Congress explaining why an alternative payment model would be appropriate for these services. Earlier this year, Inside Health Policy reported that CMS laid out many of the details of its proposed model in an internal transmittal to contractors.

Under the model, prospective payments would be divided into a professional component, which would represent payment for radiotherapy services furnished by a physician or freestanding radiation therapy center, and a technical component, which would represent payment for non-physician services (i.e., hospital outpatient departments or freestanding radiation therapy centers). CMS would reduce each episode payment amount by a discount factor, which would save money for Medicare and reduce beneficiary cost-sharing.

Payments also would also be tied to quality metrics.

CMS is proposing to begin the model on either January 1 or April 1, 2020. It would last five years and would be implemented by the CMS Innovation Center. It would constitute an Advanced Alternative Payment Model and a Merit-based Incentive Payment System APM under the Quality Payment Program.

The formal details of the model are contained in a proposed rule. CMS will accept comments on the proposed rule until September 16, 2019. ■