

## **Radiation Oncology Providers Split On Bundled Pay**

The Radiation Therapy Alliance is pushing a bundled-pay proposal that it says would stabilize payment in the face of major pay cuts that the Centers for Medicare and Medicaid Services (CMS) is proposing for radiation therapy at freestanding centers, but the American Society for Radiation Oncology (ASTRO) does not support bundling pay. An industry source said ASTRO is merely not taking a position on the policy and predicted that ASTRO will eventually support the proposal because pay bundles are the future of Medicare.

Radiation oncologists are concerned with reimbursement fluctuations and the proposed pay cuts included in the 2013 Medicare Physician Fee Schedule proposed rule, which applies to physician payments and payments to freestanding cancer centers. CMS proposes to reduce payments for intensity modulated radiation therapy by 40% and stereotactic body radiation therapy by 28% in 2013.

The Radiation Therapy Alliance (RTA) is a non-profit organization representing 207 for-profit, community-based, freestanding cancer care facilities in 21 states caring for approximately 75,000 cancer patients annually. RTA members include 21st Century Oncology, Oncure Medical Corp, Radiation Oncology Services of America (ROSA), and Vantage Oncology.

The RTA has created one payment bundle and is looking to create other bundles based both on types of cancer and on the level of resources that radiation treatments require. The RTA started developing a bundling initiative with Avalere Health two years ago. The resulting prostate cancer bundle includes 50-100 codes, and covers external beam radiation therapy, image guided radiation therapy, intensity modulated radiation therapy, 3-dimensional conformal radiation therapy, and 2-dimensional conformal radiation therapy. Chris Rose, a radiation oncologist with RTA, said the group wants to radically alter how freestanding radiation therapy clinics are compensated to incentivize quality, rather than volume. Connie Mantz, the chief medical officer for 21st Century Oncology and an RTA adviser, emphasized that the bundling proposal is in the early stages, needs to be developed and will need the support of ASTRO to gain traction.

Bundling is viewed as good for CMS because it rids the system of incentives to over use services. For radiation oncologists, it removes the risk of choosing a higher reimbursed method of cancer therapy, an industry source says. The bundle would be paired with the National Comprehensive Cancer Network guidelines. Both CMS and the providers would also have a predictable fee schedule for upcoming years. CMS Medicare Chief Jonathan Blum is a major proponent of bundling, sources say, and a bipartisan group of four former CMS administrators recently recommended that the agency experiment more with bundling.

The prostate bundle is the first step. RTA worked with a small sample of claims data to develop the prostate cancer bundle, and an industry source says there is potential for many other bundles. There are some who think the system could end up with a handful of bundles categorized by different types of cancer, including lung cancer. Radiation therapy could also be bundled according to resource use and grouped into high, medium and low use bundles, sources say. RTA coordinated with CMS as it created the prostate cancer bundle, and Rose says the proposal would be revenue neutral. Rose adds that CMS' innovation center could approve bundling pilots as it has done in other areas.