The US Oncology Network

October 15, 2020

The Honorable Seema Verma
Administrator Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard Baltimore, MD 21244

Dear Administrator Verma:

On behalf of The US Oncology Network ("The Network"), one of the nation's largest and most innovative networks of community-based oncology physicians, treating over a million cancer patients annually in more than 450 locations across 25 states, I write today to express significant concerns about the recently-finalized Radiation Oncology Alternative Payment Model (RO Model) and urge the Centers for Medicare and Medicaid Services (CMS) to delay the Model's implementation until at least July 1, 2021 and strongly reconsider its payment methodology.

The US Oncology Network is a proven leader in value-based care, as demonstrated by the 15 Network practices participating in the Oncology Care Model (OCM) who have collectively reduced hospital admissions by 7%, emergency room visits by 4%, and saved CMS over $125 million. For years, The Network has supported the development of an alternative payment model (APM) to promote quality outcomes and provide payment stability in radiation oncology. We thoughtfully reviewed the proposed RO Model and used our experience in the OCM to inform our feedback. As a result, we were extremely disappointed to learn CMS largely dismissed provider concerns in the final rule and set an aggressive implementation date in the midst of the COVID-19 public health emergency.

We acknowledge the intense pressure that CMMI is under, but we feel strongly that this model was finalized on a rushed timetable during a period when providers are struggling to maintain patient access to care. Given the lack of collaboration and unwillingness to address even the most glaring omissions, we fear proceeding with the Model as currently constructed will result in a missed opportunity to advance practice transformation toward value-based care for radiation therapy. We are particularly disappointed CMS declined to consider stakeholder feedback in the following areas:

- **Start Date**: Based on our experience in setting up new models in the commercial market and with the OCM, including transitioning to a new IT system, training support staff, and retooling workflows, we recommended implementation begin no sooner than 9 months after CMS announced the selected Core Base Statistical Areas (CBSA). CMS released the RO Model final rule and selected CBSAs on September 18, 2020, only 3 months before the January 1, 2021 start date.

- **National Base Rates**: We continue to believe the base rates undervalue radiation oncology services. For example, the RO Model is intended to be site neutral; however, CMS is finalizing its proposal to exclude Physician Fee Schedule data from the National Base Rate calculation. The Network had urged CMS to use a blend of Physician Fee Schedule and Hospital Outpatient Prospective Payment System (OPPS) data for the professional component (PC) to ensure the base rates were appropriately capturing the value of RO services provided in the freestanding setting. In the final rule, CMS declined this recommendation and finalized the National Base Rates using solely OPPS data.

Additionally, we urged CMS to remove partial/ incomplete episodes and episodes of palliative care. Our internal analysis found that these episodes were artificially lowering the base rate payment because they included episodes of metastatic cancer treated with less fractions of radiation and lower intensity and were not representative of a typical episode of care. CMS declined to make this adjustment in the final rule.

Similarly, our analysis found that CMS' proposed base rates for gynecological malignancy did not include subsequent management with brachytherapy, which is the standard of care for this type of cancer, again artificially lowering the payment. The Network warned that the Model may compromise access to brachytherapy, resulting in less than optimal care, and recommended CMS remove brachytherapy from the Model or create additional diagnostic groups to capture the increased costs of combined external beam and brachytherapy for gynecological malignancies. Again, CMS disregarded this recommendation.

- **Savings Target**: The proposed rule discussed an estimated savings impact of 3% of Medicare spending ($250 million over 5 years across 40% of episodes). However, the Model proposed a 4% discount rate for the PC and a 5% discount rate for the technical component (TC). Our internal analysis found that the RO Model would result in significant reductions in reimbursement to practices well beyond the 3% range when accounting for the undervalued Base Rates, discounts, withholds, and adjustment. We also warned that CMS was severely underestimating the costs and administrative burden of adjusting to and complying with this model. We urged CMS to establish guardrails to ensure that the reductions to providers do not excessively expand beyond the target and encouraged CMS to incorporate a funding mechanism to cover practice transformation, as seen in other APMs. In response, CMS finalized a reduction in both the PC and TC discount factors by 0.25% from its original proposal, to 3.75% and 4.75% respectively, and declined to provide practice transformation support. Additionally, while CMS may have slightly lowered the Model's projected savings to $230 million over 5 years, this figure is now spread across 30% of episodes, which is proportionally a much larger reduction. Requiring a minority of practices, all of whom are forced to participate in this 5-year experiment, to shoulder a cut of this magnitude is especially concerning and may create a widening disparity between practices in and outside the Model.

- **Hardship Exemption**: The Network recommended CMS provide a hardship exemption for smaller/ more rural practices that may not have the administrative and financial resources to assume the kind of work and risk associated with the Model. While CMS created an opt-out option for ultra-low volume practices (defined as furnishing an astonishingly low 20 episodes or fewer annually), it declined to provide one based on financial hardship.

- **Data Collection**: CMS proposed to mandate data collection on all applicable patients, including those outside the Model, in aggregate form. In our comments to CMS, The Network explained this would still require gathering data in patient-level form, which would be burdensome and costly, and asked CMS to delay data collection to at least the second year of the Model. Again, CMS declined to change its proposal and finalized this requirement.

- **Stability**: The Network, joined by other stakeholders in the radiation oncology community, advocated for a model that would provide stability and enable long-term practice transformation. Unfortunately, the Model's trend factor and unknown withholds ensure reimbursement will continue to be unpredictable and vary annually. Given the minimal changes made between the proposed and final Model as well as other aspects of the methodology that remain unclear, we are deeply concerned the Model will result in a

payment cut to physician group practices beyond the 6% estimated in the final rule and provide no additional stability.

Oncology practices across the country are under significant financial and operational strain attributable to the COVID-19 pandemic. We believe it is unreasonable and unrealistic to expect 30% of the radiation oncology community to come into compliance with a new and complex alternative payment model within a matter of months. While we fully support the goals of extending value-based care to patients receiving radiation therapy, the Model's failure to accommodate stakeholder input and its aggressive implementation timeline jeopardizes the Model's success before it even begins. **We urge CMS to act quickly to delay the RO Model until at least July 1, 2021 and reduce the discount factors to no more than 3%.**

We appreciate your prompt consideration of this request. Should you have any questions, please contact Ben Jones, Vice President of Government Relations and Public Policy, at Ben.Jones@usoncology.com.

Sincerely,

Vivek S. Kavadi, MD, FASTRO
Chief Radiation Oncology Officer
The US Oncology Network

CC:
Brad Smith, Deputy Administrator and Director, CMS Center for Medicare and Medicaid Innovation (CMMI)