

Cancer Center Business Summit 2011 Annual Research Survey
The Positioning and Payment for Oncology within Accountable Care Initiatives

Summary of 2011 Research Survey Interviews

During the period June through August 2011, direct phone interviews were conducted with a total of thirty-six healthcare provider and health insurer organizations that met one of the following criteria:

- 1) identified as organized or organizing to respond to the new accountable care initiatives (Medicare ACO or otherwise) and/or
- 2) participating in some form of oncology-specific payment methodology that reimburses oncologists in a manner other than traditional methods, such as fee-for-service.

The five categories of organization interviewed and the respective number of interviews conducted within each category are as follows:

Organization Category	Interviews Conducted	As Percent
Healthcare Delivery System/IDS	16	44%
Academic Medical Center	4	11%
Medical Group Practice	11	31%
Physician Network/IPA	2	6%
Health Plans	3	8%
Total	36	100%

Healthcare Delivery System/IDS

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>(1) Healthcare Delivery System with 6 hospitals and 70 loosely affiliated oncologists</p> <p>Location: Mid Atlantic</p>	<p>Somewhat Consolidated and Highly Competitive</p> <p>Two major health systems compete in local market</p>	<p>Exploratory</p> <p>Internal ACO for System employees but undecided re: applying for formal designation as Medicare ACO</p>	<p>Mixed affiliations: multiple forms of arrangement. Some physicians employed, some contracted, for example under PSA, some independent. Moving toward employee relationships, depending on the specialty and the particular hospital dynamic</p>	<p>Nothing oncology-specific</p>
<p>(2) Healthcare Delivery System with 15 hospitals plus affiliated physician practices in mixed arrangements. Approximately 200 oncologists/oncology-related MDs</p> <p>Location: Northeast</p>	<p>Fragmented but changing to be more consolidated</p> <p>Highly competitive</p>	<p>Proactive</p> <p>Have organized an ACO. Member of the Premier ACO Implementation Collaborative, which is a group of 19 healthcare systems which have ACO building blocks in place</p>	<p>Mixed affiliations: some surgical subspecialty oncologists employed (gyn oncology); Medical oncologists currently contracted but are starting to seek employed arrangements. Radiation oncologists independent.</p>	<p>Nothing oncology-specific</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>(3) Healthcare Delivery System with 4 hospitals and one designated free-standing cancer center built in 2003.</p> <p>Approximately 350 physicians of which 25 are oncologists</p> <p>Location: New England</p>	<p>Highly Consolidated</p> <p>Friendly competition moving to high competition</p>	<p>Exploratory</p> <p>Determining whether to apply for Medicare ACO designation. Likely to do so because this is proposed in their state as well as by Medicare. "With significant dependence on government Payors, you want to be on the same page with them."</p>	<p>All except radiation oncologists are fully employed. However radiation oncologists closely aligned in long term exclusive contract.</p>	<p>Nothing oncology-specific</p>
<p>(4) Healthcare Delivery System with 8 hospitals and 1800 closely aligned network physicians of which 38 are oncologists</p> <p>Location: New England</p>	<p>Highly Consolidated</p> <p>Large Academic Medical Center systems dominate in the market</p>	<p>Proactive</p> <p>Network formed own community-based ACO-like structure in 2008.</p> <p>Intend to apply for Pioneer ACO designation.</p>	<p>Mixed affiliations: some contractual, some private practice, some employed.</p> <p>Those physicians that are employed, are employed by System, not by individual hospitals</p>	<p>Nothing oncology-specific</p> <p>However, system wide, 75% of commercial contracts are on a global risk basis.</p>
<p>(5) Healthcare Delivery System with 14 hospitals, 3000 employed physicians, 46 are oncologists</p> <p>Location: Upper Midwest</p>	<p>Somewhat consolidated and highly competitive</p> <p>Approximately 67% of patients in market served by this integrated provider organization</p>	<p>Proactive</p> <p>Of concern: do they have the analytics and financial reporting sophistication to manage ACO data?</p>	<p>Several local oncologists are in private practice, but majority are employed physicians</p>	<p>Nothing oncology-specific</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>(6) Healthcare Delivery System with 800+ bed hospital and, and 350 employed-physician network; 27 affiliated oncologists</p> <p>Location: Midwest</p>	<p>Somewhat consolidated, moving toward highly consolidated</p>	<p>Proactive</p> <p>“A fair degree of skepticism but ... we are ready and actively trying to prepare and we think commercial payers will move faster than Medicare.”</p> <p>Exploring feasibility of a statewide ACO undertaking</p>	<p>All oncologists except for the med oncologists are employed. Attempting to bring oncologists in under direct employment model.</p>	<p>Nothing oncology-specific</p> <p>Primary care clinic system has been paid based on quality-outcomes bonus methodology from several Payors for about 5 years</p>
<p>(7) Healthcare Delivery System with two hospitals and own health plan; 850-900 physicians of which 33 are oncologists</p> <p>Location: Mid-Atlantic</p>	<p>Highly consolidated</p> <p>Much oncology practice acquisition activity underway with this organization</p>	<p>Proactive</p> <p>Continuing participant in the Medicare Physician Group Practice demo (one of 10 original demo sites) and working on another model of primary care medical home initiatives to decrease care costs.</p> <p>Member of Premier ACO Implementation Collaborative</p>	<p>All oncologists employed. No other agreements – cancer-related physicians are all direct employees</p>	<p>Nothing oncology-specific</p> <p>Of note: a system-wide “care guarantee” program. For acute interventions – cardiac, perinatal, lung. If inpatient re-admit within 90 days of services, then care is provided at no charge</p>
<p>(8) Healthcare Delivery System with one hospital and a dedicated Cancer Center. Nearly 600 physicians, 18 of which are oncologists.</p>	<p>Fragmented with intense competition</p>	<p>Proactive</p> <p>A Medicare Physician Group Practice Demonstration participant. “This has been a very mixed experience for us.”</p>	<p>Gyn oncologists with professional services contract; Rad oncologists contracted for professional component, use institutional facilities/equipment</p>	<p>Nothing oncology-specific</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
Location: Upper Midwest				
<p>(9) Healthcare Delivery System with three hospitals and 250 aligned physicians, of which 170 are directly employed. 22 oncologists but not closely aligned.</p> <p>Location: Southeast</p>	<p>Fragmented and highly competitive</p> <p>Health care market in general is fragmented, but oncology is highly consolidated – dominated by one major group practice</p>	<p>Exploratory.</p> <p>Exploring Pioneer ACO status. But waiting for the revised rules. “Rules as originally proposed are too onerous.”</p> <p>In 2010, formed an ACO billed as “one of first in the state.”</p>	<p>Oncologists not employed, although the system would like to move to employment model for oncologists</p>	<p>Nothing oncology-specific</p> <p>Currently negotiating system wide contracts with Payors, for both shared savings and partial capitation (non-oncology specific). Shared savings contract depends on meeting certain quality measures, and keeping Payor’s medical loss ratio within a certain floor-ceiling range. Organization paid difference between ceiling and savings they achieved.</p>
<p>(10) Healthcare Delivery System with five hospitals including cancer institute, 90 physician practice locations. 1100 closely aligned physicians of which 22 are oncologists.</p>	<p>Highly consolidated and competitive.</p>	<p>Proactive</p> <p>Member of Dartmouth-Brookings ACO Learning Network and a Dartmouth – Brookings ACO pilot; will apply for Pioneer ACO status. Shared savings model in their commercial ACO pilot.</p>	<p>Most oncologists are employed directly by the organization.</p>	<p>Nothing oncology specific but commercial ACO pilot with Humana Insurance for all health conditions.</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
----------------------	----------------	---------------	--------------------------	-------------------------------------

Location: Mid South				
<p>(11) Healthcare Delivery System with nine hospitals and 1,000 aligned physicians. 28 loosely affiliated oncologists.</p> <p>Location: Midwest</p>	Fragmented – specialists, including oncologists, “split” between two area hospitals.	<p>Wait and See</p> <p>“We are very interested but not the way the regulations are written, Pioneer or otherwise.” Doing their own commercial ACO pilots.</p>	Oncologists in private practice in the community. Not employed by the organization. Two major oncology group practices serve the hospital.	<p>Nothing oncology-specific</p> <p>Primary Care Medical Home pilot just rolling out with Blue Cross. Too new to have results. Successful 1.5 year old inpatient re-admit program with Blue Cross. Nurse navigators follow patients at home (based on Coleman model) to try to avoid unneeded readmissions. This was a shared-savings pilot for system’s 9,000 employees.</p>
<p>(12) Healthcare Delivery System with large multispecialty group practice and associated hospital. 240 physicians, 8 of which are oncologists.</p> <p>Location: Mountain States</p>	Somewhat consolidated and getting more so	<p>Wait and see</p> <p>Medicare Physician Group Practice demonstration site. Non-qualifying for Medicare Pioneer ACO model because Medicare patient population too small.</p> <p>“We believe in ACOs and were excited about them, however we were very</p>	Employed physicians	<p>2 year old cancer-specific pilot project with a state University system - a self insured group. Designated as a preferred provider of cancer services for the group. Benefit to system: increased market reach. Benefit to Payor: a more predictable cost of care, since treatments</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
		disappointed in the proposed rules and hope that they get revised. ACO is the way we think the country should go”		according to pathways
<p>(13) Healthcare Delivery System with three hospitals and 1,100 physicians of which 400 closely aligned, and 44 aligned oncologists (most employed by the system). Own health plan.</p> <p>Location: Mid-Atlantic</p>	Highly consolidated and competitive	<p>Ignore/Not interested</p> <p>“Medicare ACO rules so flawed that it is not worth the trouble”</p>	Rad oncologists are in exclusive contract for professional component. 34 oncologists are employed by the system with another 10 on exclusive contract	<p>Nothing oncology-specific</p> <p>One bundled payment pilot in development for cardiothoracic procedures in conjunction with the system’s own health plan. 30 days pre coronary arteries bypass (CABG) and 60 days post surgery covered in single bundled payment.</p> <p>Once determined for CABG, intend to apply same approach for oncologic conditions.</p>
<p>(14) Healthcare Delivery System. Parent holding company of 74 hospitals in 19 states.</p> <p>Location: National</p>	Hospitals in many different market settings	<p>Three hospitals were pilot sites when System was investigating ACOs. Only one ACO pilot moved forward – one of hospitals in question held up by merger discussions.</p> <p>We anticipate that our oncology services will be</p>	Varies depending on hospital. In general, former private practice oncology groups are contracted, now want to align more closely	<p>Nothing oncology-specific</p> <p>Discussing alternative arrangement with National Blue Cross re: “Blue Distinction” designation for hospitals treating rare and complex cancers. Blue Cross intending to</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
		<p>part of many ACOs.</p> <p>We have what I would say are capabilities in place to deliver accountable care for certain types of cancer.</p>		<p>expand Blue Distinction to more basic forms of cancer and this system has developed a breast cancer model of excellence which ties in.</p> <p>Also in discussions with a major Payor regarding an oncology-specific pilot for three ACO-ready markets.</p>
<p>(15) Healthcare Delivery System consisting of 770-bed hospital with several specialty centers of excellence, including cancer center affiliated with H. Lee Moffitt Cancer Center. 500 affiliated physicians, including 11 oncologists</p> <p>Location: Florida</p>	<p>Somewhat consolidated, moving toward highly consolidated.</p> <p>Market is underserved for oncology based on ASCO ratio of 1.8 med-oncs needed for every 100,000 in population served.</p>	<p>Exploratory.</p> <p>Moving toward hiring more physicians is a step toward ACO.</p>	<p>Oncologists with Professional Service Contracts; in process of employing some of these contracted med oncologists and hiring more.</p>	<p>Nothing oncology-specific</p>
<p>(16) Company owns and operates four cancer specialty hospitals nationally. Fifth hospital slated to open</p>	<p>Operate in several markets; consider themselves a medical "destination" as two-thirds of their</p>	<p>Wait and See</p>	<p>Most are directly employed. Some with rare sub specialties, such as orthopedic oncology, are contracted</p>	<p>Bundled payment for cancer diagnostic and treatment plan. Prices range from \$10K (prostate) to \$14,200 (breast cancer).</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
-----------------------------	-----------------------	----------------------	---------------------------------	--

in Sept. 2012. Approximately 60 employed oncologists	patients travel long distance for care at one of the hospitals			Developing a bundled payment methodology for treatment of various cancer types with expected bundled price offering in 2012.
---	--	--	--	--

Academic Medical Center

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Oncology Non-Traditional Payment
(17) Academic Medical Center with 1,200 physicians employed in traditional affiliated practice plan of which 300-400 are in active clinical practice; 65 oncologists. Location: Mountain States	Somewhat Consolidated Dominated by 3 large health systems.	Exploratory Task Force among Hospital, Faculty Practice and University exploring ACO implications. Organizational focus currently is on ACO data infrastructure and data reporting requirements. If determined to seek ACO, will do so independent of others – feel they have sufficient capacity	Oncologists employed within affiliated practice plan. Traditional closed hospital staff.	Nothing oncology-specific
(18) Academic Medical Center with two hospitals/ research facilities, two affiliated hospitals, and a standalone cancer center. 600 total physicians of which	Somewhat Consolidated	Exploratory Actively exploring ACO-like thinking with certain physician groups.” Limited in type of relationships they can enter because this is a state institution.	All oncologists are members of faculty practice. One hospital has “grandfathered” non-employed community private practice on staff.	Case rates for bone marrow transplants. Otherwise, nothing oncology-specific

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
-----------------------------	-----------------------	----------------------	---------------------------------	--

102 are oncologists. Location: Southwest		Also, they don't have a primary care physician base which they view as essential for ACO designation.		
(19) Academic Medical Center with two hospitals and 700 physicians, 105 of which are oncologists Location: Midwest	Fragmented moving toward somewhat consolidated.	Exploratory "We see ourselves as a gap-filling entity, part of another ACO. Our primary care base is too small."	All physicians are faculty members and employed by the Medical Center. Closed medical staff.	Nothing oncology-specific Does subcontract with some large multispecialty physician groups that have covered lives under capitation arrangements, for both cancer and non-cancer conditions
(20) Academic Medical Center with broad geographic reach including 900-physician multispecialty medical group practice of which approximately 190 are oncology-related specialties Location: New England	Fragmented to somewhat consolidated	Proactive Organization was one of the ten Medicare Physician Group Practice Demonstration sites and parent healthcare system is expected to apply for Medicare ACO designation	Employed physicians	Primary care pilot program with State Blue Cross plan as platform for ACO, but nothing that is oncology-specific

Medical Group Practice

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Oncology Non-Traditional Payment
(21) Large multispecialty	Highly consolidated and highly	Proactive	Professional service contract relationships with 12	Nothing oncology-specific

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>medical group with “wrap around” IPA. 2350 physicians total, 12 oncologists.</p> <p>Location: Southern California</p>	<p>competitive</p>	<p>One of five original Dartmouth-Brookings ACO demonstration sites. Have applied for Pioneer ACO designation.</p>	<p>oncologists.</p>	<p>In discussion for orthopedic bundled payment demonstration project</p>
<p>(22) Oncology Medical Group Practice with 15 oncologists and sub-specialty diversification</p> <p>Location: Upper Midwest</p>	<p>Somewhat Consolidated</p> <p>This practice with dominant market share in office-based/outpatient oncology.</p>	<p>Exploring to Proactive</p> <p>“Positioning the practice to be the market choice to participate in someone else’s ACO.”</p>	<p>Self contained. This is an oncology-specific practice organization.</p>	<p>Structuring a pathways-oriented pilot project with statewide Blue Cross plan, their largest commercial payer. Phase I, starting with colon, breast and lung. Phase 2: will add lymphomas, ovarian cancers, then phase in others.</p> <p>Anticipating the payment methodology to be an incentive for 80% pathway compliance plus drug fee schedule increases for generics</p>
<p>(23) Oncology Medical Group Practice with 12 oncologists and sub-specialty diversification</p> <p>Location: Southern California</p>	<p>Somewhat Consolidated and highly competitive</p> <p>Primary competition from captive physician networks of large AMCs in the region.</p>	<p>Exploratory</p> <p>Local, large IPA network is exploring ACO – this practice positioning to provide them with an oncology medical home. Practice itself will not apply to be ACO – but will be part</p>	<p>Self contained. This is an oncology-specific practice organization.</p>	<p>In August 2011, started oncology medical home pilot with statewide Blue Cross plan. Pilot involves PPO patients only. Blue Cross implemented unique reimbursement codes for this practice for (1)</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
		of someone else's ACO		custom treatment planning, and (2) assessing and managing day-to-day symptoms.
<p>(24) Oncology Medical Group Practice with 19 oncologists and sub-specialty diversification</p> <p>Location: Southwest</p>	<p>Somewhat Consolidated and competitive</p> <p>One competitor oncology practice has dominant market share</p>	<p>Exploratory</p> <p>Prepare practice to be a specialty "neighbor" to primary care medical home</p>	<p>Self contained. This is an oncology-specific practice organization</p>	<p>One of 5 pilot sites of United Healthcare with oncology-specific episode payment methodology: a fixed payment for historic drug margins for pathway-compliance plus a per-patient administrative fee.</p>
<p>(25) Oncology Medical Group Practice with 30 oncologists and sub-specialty diversification. Recent merger with AMC.</p> <p>Location: Midwest</p>	<p>Somewhat Consolidated</p> <p>Dominated by 2 large health systems plus this new oncology practice-AMC merged organization</p>	<p>Wait and See</p> <p>"How does a specialty-oriented AMC pursue ACO without a large PCP base?"</p>	<p>Oncologists employed within AMC affiliated faculty practice plan</p>	<p>One of 5 pilot sites of United Healthcare with oncology-specific episode payment methodology: a fixed payment for historic drug margins for pathway-compliance plus a per-patient administrative fee.</p>
<p>(26) Oncology Medical Group Practice with 27 oncologists and sub-specialty diversification.</p>	<p>Somewhat Consolidated</p> <p>This practice with 55% market share; Another provider</p>	<p>Wait and See to Not interested</p> <p>Would be more comfortable with an oncology medical home concept. Would</p>	<p>Self contained. This is an oncology-specific practice organization</p>	<p>One of 5 pilot sites of United Healthcare with oncology-specific episode payment methodology: a fixed payment for historic drug margins for</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
Location: Mid-South	with 20% market share; remainder is fragmented.	consider bringing in some PCPs that would help monitor care and we would take over the entire continuum of care once someone is diagnosed with cancer condition.		<p>pathway-compliance plus a per-patient administrative fee.</p> <p>Four cancer types in their UHC pathways pilot: breast, colon, ovarian, lung.</p> <p>In addition to UHC pilot, participating in Restricted Pathways Program with state-wide Blue Cross plan.</p>
<p>(27) Oncology Medical Group Practice with 36 physicians, 24 with sub-specialty diversification</p> <p>Location: Midwest</p>	<p>Somewhat Consolidated</p> <p>Two dominant hospital systems with large affiliated “captive” practices. Few independent physicians left in the market</p>	<p>Wait and See to Exploratory</p> <p>Exploratory because one of the dominant systems may form ACO and not allow practice to participate since this dominant system has employed oncologists</p>	Self contained. This is an oncology-specific practice organization	One of 5 pilot sites of United Healthcare with oncology-specific episode payment methodology: a fixed payment for historic drug margins for pathway-compliance plus a per-patient administrative fee.
<p>(28) Multispecialty Medical Group Practice. An alliance of five non-profit community-based medical groups, consisting of 800 closely-affiliated physicians, of which</p>	<p>Somewhat consolidated and moving toward fiercely competitive</p> <p>NCCN cancer center was primary competitor until recently, but our</p>	<p>Proactive</p> <p>Planning to apply for Pioneer ACO designation.</p>	Mixed affiliations. Some employed.	<p>Nothing oncology-specific</p> <p>Global capitation payment methodology for more than half of patients. Participate in Patient Centered Medical Home pilot for the State.</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>14 are oncologists.</p> <p>Location: New England.</p>	<p>employed medical oncologists are now under the clinical supervision of the NCCN cancer center</p>			<p>Not oncology specific.</p>
<p>(29) Oncology Medical Group Practice with 12 medical oncologists</p> <p>Location: Mid-Atlantic</p>	<p>Highly consolidated</p>	<p>Exploratory</p> <p>“Making every attempt to be proactive, because we believe accountable care is going to benefit everyone.”</p>	<p>Self contained. This is an oncology-specific practice organization</p>	<p>1 year old clinical pathways pilot for oncology, in collaboration with pathways service provider and Blue Cross plan.</p> <p>A second Blue Cross pilot, started in spring 2011, focuses on reporting of 12 QOPI measures, including end-of-life counseling and treatment compliance.</p> <p>Reimbursement methodologies not yet established for 2 these pilot programs.</p>
<p>(30) Oncology Medical Group Practice with 9 medical oncologists.</p> <p>Location: Mid-Atlantic</p>	<p>Fragmented but rapidly becoming more consolidated</p>	<p>Exploratory</p> <p>Somewhat unique model of oncology medical home and they are “ready to do business with any viable payment methodology that</p>	<p>Self contained. This is an oncology-specific practice organization</p>	<p>Commenced transition of practice into an “oncology medical home” model in 2005. Model has resulted in a 43% reduction in hospital admissions and a 65%</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
		is offered”		<p>reduction in ER visits over trial period. Advanced nurse triage function results in management of ER and hospitalization incidence.</p> <p>Reimbursement methodology under negotiation with 2 plans.</p>
<p>(31) Oncology Medical Group Practice with six oncologists.</p> <p>Location: Mid-Atlantic</p>	<p>Fragmented and highly competitive</p>	<p>Wait and See</p> <p>“Medicare just looks at oncology as a huge expense that needs to be cut. We are not ready to look at the ACO. It is not clear how a specialty like ours would operate in that kind of environment”</p>		<p>Participates in one pathways program with Blue Cross plan, commenced in 2009. With 80% pathways compliance, practice receives 15-27% increased reimbursement on drugs. Pathways include breast, lung, colon, myeloma, lymphoma cancers.</p> <p>Aetna also proposed a pathways-oriented program which locks in drug fee schedule at current pricing. Practice unsure about participating.</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
----------------------	----------------	---------------	--------------------------	-------------------------------------

Physician Network/IPA

<p>(32) Physician Network/IPA, 290 physicians of which 110 are primary care and the balance are specialists; of the specialists, 7 are oncologists. 85% of physicians in the area are members.</p> <p>Location: Mountain States</p>	<p>Highly consolidated with collaboration among providers</p> <p>All IPA members contract with one local health plan that has 45-50% market share.</p>	<p>Ignore/Not interested</p> <p>“We liked a lot about ACO, but the risk down the road was that it appeared too burdensome. Fear of too much paperwork.”</p>	<p>Oncologists are all members of the IPA</p>	<p>Nothing oncology-specific.</p> <p>All IPA members share equally in year-end distribution of 15% withhold pool.</p>
<p>(33) Physician Network GPO and MSO organization consisting of approximately 60 oncology practices in four states</p> <p>Location: Upper Midwest</p>	<p>Fragmented</p>	<p>“Pretty neutral on the concept of ACOs”</p>	<p>Membership consists of oncology medical group practices</p>	<p>Oncology pathways program in effect</p> <p>Started as quality reporting initiative, but transitioned into pathways program with state-wide Blue Cross plan.</p> <p>Pathways developed by a local, 13-oncologist steering committee, including AMC representation.</p> <p>Year 1 (2010) = \$5,000 per physician up-front</p>

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
----------------------	----------------	---------------	--------------------------	-------------------------------------

				<p>technology conversion reimbursement plus increase in margin for generic drugs (a "generics fix") plus shared savings component to be developed.</p> <p>Year 2 (2011) = 10% increase in E&M reimbursement for all participating practices plus additional 10% E&M premium for those practices participating since Year 1 (total 20% E&M premium for most practices) plus "generics fix." The E&M enhancements offered in exchange for the shared savings element because, in retrospect, found too difficult to benchmark and measure the actual savings</p>
--	--	--	--	--

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
----------------------	----------------	---------------	--------------------------	-------------------------------------

Health Plans

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment
<p>(34) Large statewide Blue Cross plan – 50% market share state-wide. 3 million members/covered lives</p> <p>Location: New England</p>	Highly consolidated.	Instituted a global payments model for providers in 2009, before ACO was part of the dialogue. Many of their participating provider groups could participate in the Medicare Pioneer model, but don't because potential upside return is too small. Also concerned about not knowing whose care you're at risk for until after the fact (retroactive beneficiary identification feature of Medicare ACO). They do encourage their providers to consider becoming part of an ACO.	Oncologists as contracted providers	<p>Nothing oncology-specific</p> <p>However, there is a statewide quality initiative pilot involving 500,000 members, which includes primary and specialty physicians. Goal to decrease the rate of medical cost inflation by 50% over 5 years.</p>
<p>(35) Statewide Blue Shield Plan. 3.3M covered lives, 67,000 participating physicians and 354 participating hospitals</p> <p>Location: California</p>	Varies by market, but generally highly consolidated	Support the Pioneer model ACO. Believes it will improve care management and reduce costs. Launched their first ACO-like commercial pilot in 2010. This Plan participates in five commercial shared-risk ACOs that it developed. Three in operation currently, two more to launch in 2012	Oncologists as contracted providers	Nothing oncology-specific, except one example where a provider organization pays oncologists on case rate basis for most cancer types.

Organization Profile	Market Profile	ACO Readiness	Oncology Position Within	Non-Traditional Payment Methodology
<p>(36) National health plan, 18.3M covered lives, 560,000 participating physicians, 5,300 hospitals.</p>	<p>Operates in many markets</p>	<p>“My feeling is that ACO is a great idea, and I am very happy that CMS has opened up some innovation space, but the rules by which they created it are somewhat restricted. I am disappointed as are others, that oncology was not included as option for medical home.”</p>	<p>Oncologists as contracted providers</p>	<p>Two oncology-specific payment initiatives. First involves Texas Oncology with multiple points of measure: pathways, patient support programs and advance care planning. Goals are 80% pathways compliance and reduction in hospitalization and ER visits. Settlements based on shared savings occur at designated intervals.</p> <p>Second pilot introduced in D.C.-area markets in March 2011. Involves pathways compliance, stabilized/fixed drug reimbursement schedule. P4 Healthcare as IT/decision support and pathways contractor. Providers have option to amend the drug reimbursement schedule to allow for more predictable positive revenue.</p>