





Managing Radiation Oncology Quality and Reimbursement with Evidence-based Pathways

September 19, 2011



CareCore National, LLC

Overview

CareCore National utilizes research-based clinical expertise to improve quality and reduce inappropriate utilization.

- Strong, measurable savings across all product lines
- Nation's largest Specialty Benefit Management company
- Utilizing Innovative Data and Information Technology
- Client-Driven, Clinically-Focused and Guaranteed Savings
- Certified to provide UM services in all 50 states









Relevant Issues

- Cost and utilization are rising rapidly
- Clinical and claims complexities that are poorly understood outside the specialty
- Limited provider network (about 3500 board certified radiation oncologists nationwide)
- Perfect specialty for "episode of care" concept

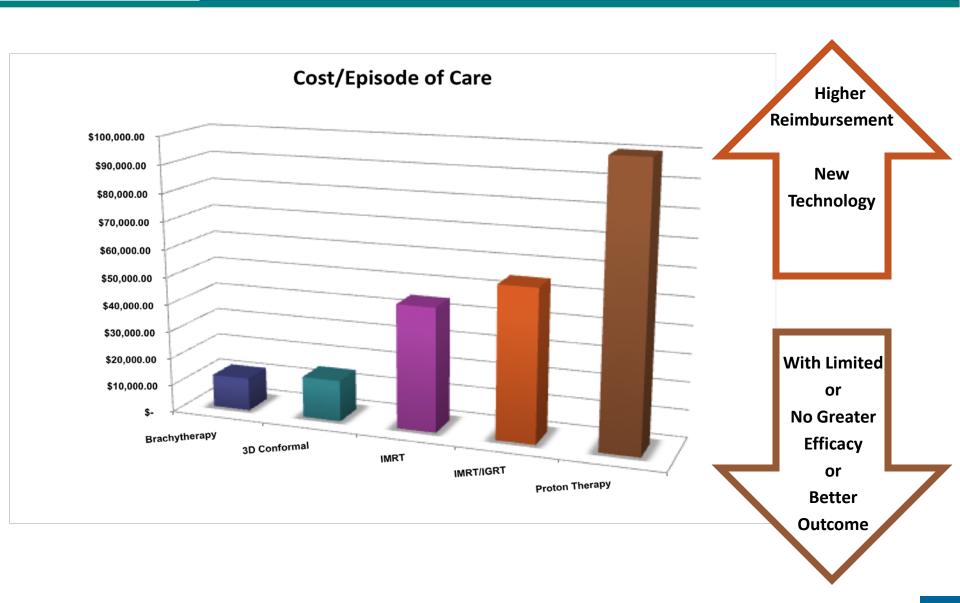


Radiation Oncology Expense and Trend

- Year over year trend:
 - Commercial 14%
 - Medicare 17%
- Episodes of care now in the range of \$50,000 per treated patient; will rise to \$100,000 as new technologies come to market
- Expanded use of IMRT is a significant driver: accounts for 30% or more of total spend



Increasing Cost of Prostate Cancer Treatment



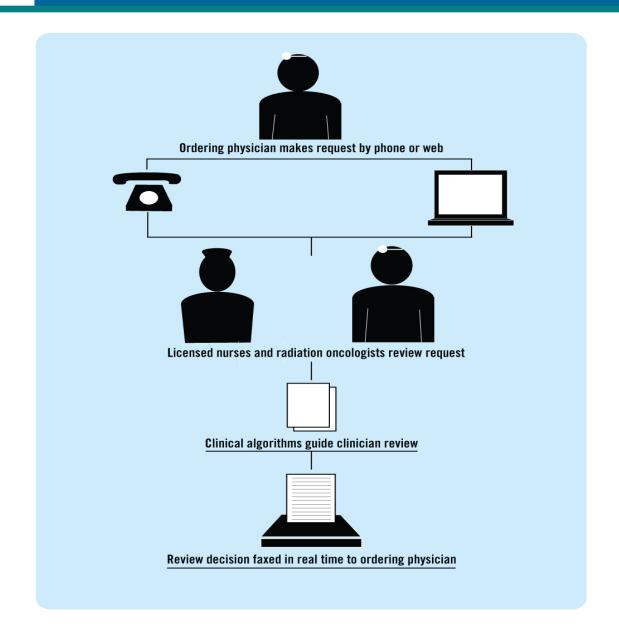


The RadCARE™ Approach: How We Manage Radiation Oncology

- We collect clinically relevant data from the treatment plan prior to the initiation of therapy
- We compare the treatment plan with guidelines based on the best available literature and existing guidelines (e.g. ACR, ASTRO), directed by our <u>National Advisory Board of</u> <u>Academic and Community Radiation Oncologists</u>
- We compare the treatment plan data with the RadCARE™ reimbursement pathways based on AMA-CPT reimbursement guidelines
- We create an approved reimbursement structure based on each of the 70+ CPT/HCPCS/REV codes associated with radiation therapy for each <u>Episode of Care</u>.



Provider's Perspective





Prior Authorization Overview

Prior Authorization Process

Authorization Request



Order for Procedure
Clinical Review Required

Clinical Review

- ✓ Submitted History
- ✓ Comparison to Clinical Pathways
- ✓ Approval
- ✓ Referral for MD review when necessary

Physician Review



- ✓ Board Certified MD
- ✓ Practicing MD
- √ P2P as Appropriate

Fundamentals of the Prior Authorization Process

- □ Clinical Review
- ☐ Enhanced Identification of the Most Appropriate Care
- Web/Navinet Availability



Sample Worksheet

| Patient Name: | | |
|--|--|--|
| Please provide the radiation therapy treatment start date: | | |
| 1. | Is the treatment being directed to the primary site (breast)? | |
| | If no, please submit a request for the metastatic site being treated. | |
| | | |
| 2. | Does the patient have distant metastatic disease (M1 stage)? | |
| | | |
| 3. | Please check box indicating the intent of the treatment (Select one only.) | |
| | Adjuvant/prevention of locoregional recurrence | |
| | ☐ Treatment of clinically apparent tumor that is asymptomatic | |
| | ☐ Palliation of clinically apparent tumor at chest wall/breast | |
| | If Palliative go directly to Question #8 | |
| 4. | Did this patient receive pre-operative (neo-adjuvant) Chemotherapy? | |
| | | |
| 5. | Please check box to indicate the T-stage (pathologic T-stage if patient has had surgery) | |
| | ☐ T1 ☐ Ductal carcinoma in situ (DCIS) | |
| | ☐ T2 | |
| | □ T3 | |
| | ☐ T4 ☐ Recurrent | |
| | | |
| 6. | How many axiliary lymph nodes are involved? (if unknown, select from below) | |
| | ☐ Unknown (no ALND) | |
| | ☐ Unknown (clinically involved nodes) | |
| | ☐ Unknown (SLN biopsy positive and no ALND) | |
| | | |
| 7. | Please select the patient position/immobilization to be used for the initial phase (Check one only.) | |
| | ☐ Alpha cradle | |
| | ☐ Breast board/Angle (Tilt) board | |
| | ☐ Prone ☐ Other: | |
| | | |
| 8. | Please select the treatment plan to be executed for the initial phase (Select one only.) | |
| | ☐ Whole breast | |
| | ☐ Chest wall radiotherapy | |
| | ☐ Partial breast radiotherapy | |
| | I i arda vicast radiotriciapy | |



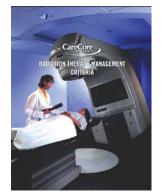
CareCore National Pathway Development

Universal Pathway Delivery System (UPADS)

New Study or Technology



Criteria Developed by Medical Directors



Criteria Approved by Advisory Committee



Pathway Created in UPADS



Health Plan specific Clinical Pathways can be developed upon request and rapidly deployed













Deployed to Production

Integration Testing

Regression Testing

Pathway Approved by Chief Medical Officer



Medical Policy Development

Step 1: Action Item Identified

News Article • Specialty Society Publication Authorization Analysis • Claims Analysis

Step 2: Policy Development and Acceptance

Daily Weekly Monthly Quarterly

Literature Review Clinical Team Specialty Consultant Review UM Committee

Step 3: Health Plan Approval and Notice

Health Plan Review Custom Policy Market Notice Implementation

11



Radiation Oncology Program Impact

| Audience | Program Impact |
|------------|--|
| Physicians | Minimal No change in Patient Treatment workflow All data elements already collected Appropriate reimbursement for appropriate care |
| Hospitals | Impact to reimbursement Minimal additional admin burden |
| Members | <1% of members, subset of CA members Virtually all members get approved services Claims/coding impact invisible to member |
| Employers | Employees receiving Radiation Therapy receive proven treatments Beneficial impact on premium |
| Regulators | Medical necessity program Like specialist reviewers; all board certified and in practice Members not denied access to care |