Congress of the United States
Washington, DC 20515

December 18, 2020

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Azar,

We write to share our concerns about the current framework of the finalized Radiation Oncology Alternative Payment Model (RO Model), crafted by the CMS Innovation Center (CMMI).

Since the enactment of the Patient Access and Medicare Protection Act (PAMPA) in 2015, both Congress and the radiation oncology community have long been supportive of the development and implementation of a value-based payment model for radiation oncology care. In 2017, the Centers for Medicare and Medicaid Services (CMS) issued a report to Congress mandated by PAMPA on the need for and feasibility of an Alternative Payment Model for radiation oncology services. The report noted that such a model could both solve several existing issues in radiation oncology care, including site-of-service payment differentials and financial incentives to furnish higher-cost services, and provide benefits to patients, providers, and the Medicare program. The RO Model will completely transform Medicare reimbursement for mandated participants, instituting a bundled payment system for nearly all radiation therapy modalities and covering 16 cancer types. The RO Model is fundamentally different from the current Medicare payment system and will require extensive work by providers to prepare and adapt while providing uninterrupted patient care, but also represents an important opportunity to increase the quality of care for patients, stabilize payments for providers, and reward value over volume of care in the radiation oncology field.

As you know, the RO Model final rule was released on September 18, 2020 with Performance Year 1 set to start on January 1, 2021, which has since been delayed to July 2021. We are pleased to see that CMS has responded to the community and delayed the start of the RO Model, but we contend that more time and resources are needed from the Department, given the complexity of the model and cost of delivering high-quality treatments. Shifting to bundled payments requires significant administrative work for providers and the RO providers must absorb the financial and personnel costs of this transformation.

Over the last several years, and specifically during the public comment period for the RO Model Proposed Rule, hundreds of stakeholders – including multiple Members of Congress – shared ideas and best practices with CMMI about how to implement a bundled payment model for radiation oncology. CMMI was advised by subject matter experts about how the agency could transform the current fee-for-service reimbursement for radiation oncology, which is currently paid per treatment, to a value-based model where efficiencies, adoption of advanced treatment techniques, and improved patient outcomes would be rewarded. We are concerned that the final parameters included in the Final Rule do not properly reflect those expert recommendations, which could frustrate the model test's goals.

In particular, we are concerned CMS did not make substantive improvements to the Model's payment methodology. In the RO Model Proposed Rule, CMS proposed a discount factor of 4 percent for the professional component (PC) and 5 percent for the technical component (TC) of the Model's payment structure. In the Final Rule, each of these factors was reduced by only 0.25 percent. Overall, CMS estimates in the Final Rule that the Model will reduce Medicare fee-for-service (FFS) payments to physician group practices and hospital outpatient departments by 6 and 4.7 percent, respectively. These amounts are actually slightly higher than the estimated cuts given in the Proposed Rule. All told, as finalized, the Model is still very complicated and provides little opportunity for providers to receive incentive payments for achieving the model's goals to assure quality outcomes for patients. We are concerned that the intensity of the payment cuts are so significant that it could have the unintended effect of reducing quality.

Furthermore, the economic impact on radiation oncology providers by COVID-19 pandemic has been significant. We acknowledge the difficulty in finding balance between the needs of patients and providers with the requirements for the RO Model to achieve savings as an Advanced Alternative Payment Model. However, the financial reality faced by many radiation oncology providers as a result of the current and ongoing public health emergency must be taken into account, both in terms of the timeline for implementing the RO Model as well as the magnitude of the payment cuts.

If designed appropriately, the RO Model can be an excellent opportunity to test bundled payments, modernize Medicare to keep up with clinical advancements, and provide more stability in radiation oncology payments. Our concern is that instead the RO Model, as currently constructed, could impede the original goals of improving health outcome to cancer patients due to the parameters as currently proposed.

We request that both the RO Model's timeline be re-evaluated, and reimbursement cuts be reduced to ensure that providers are appropriately resourced to prepare for this mandatory program. We are all committed to seeing this model implemented in a way that sets it up for maximum success, and we believe these changes will help ensure that the cancer patients have access to the high-quality radiation treatments they deserve.

Sincerely,

Mike Kelly
Member of Congress

Brian Higgins
Member of Congress

Brad Wenstrup, D.P.M.
Member of Congress

Roger Marshall, M.D.
Member of Congress

Mike Thompson
Member of Congress

Lisa Blunt Rochester
Member of Congress

Rodney Davis
Member of Congress

Raja Krishnamoorthi
Member of Congress

Paul D. Tonko
Member of Congress

Abigail D. Spanberger
Member of Congress

Brian K. Fitzpatrick
Member of Congress

Mike Simpson
Member of Congress

John H. Rutherford
Member of Congress

Steve Stivers
Member of Congress

Bill Flores
Member of Congress

Joyce Beatty
Member of Congress