



November 15<sup>th</sup>, 2016

Physician-Focused Payment Model Technical Advisory Committee  
C/o U.S. DHHS Asst. Secretary of Planning and Evaluation Office of Health Policy  
200 Independence Avenue S.W., Washington, D.C.

Letter of Intent: Hackensack Meridian Health and COTA, Oncology Bundle Program

Dear Committee Members,

On behalf of Hackensack Meridian Health (HMH) and COTA Inc. we express our intent to submit a Physician-Focused Payment Model (PFPM) proposal for PTAC review in December 2016. Our PFPM will seek to optimize clinical outcomes while reducing total cost of care through a combination of precision diagnostics and therapeutics leveraging precision analytics. The PFPM will feature an oncology bundled payment model in which care choices are modulated by the experiences of similar patients drawn from real world data, a process known as Cota Nodal Address (CNA) Guided Care.

HMH is a large multi-hospital provider of cancer services that already has experience with value-based payment models with commercial payers. COTA is a big data precision analytic company with patented technology that enables providers to identify and prevent adverse behavioral care variance (too much or too little care) that otherwise leads to less than optimal clinical outcomes and unnecessary care expenditures. The CNA Guided Care approach, which draws from retrospective data based on homogeneously grouped oncology patients, is currently facilitating a move from fee for service to bundled reimbursement within the HNH network, and the proposed PFPM will capitalize on this experience.

#### Model Overview

The PFPM will utilize a bundled pricing model for Medicare cancer patients at HMH. The bundled payment will encompass all payments for an oncology episode, including medical, radiation, and surgical oncology fees associated with the episode. HMH will leverage COTA's patented CNA system, a digital expression of all attributes specific to the patient and their disease that affect clinical outcomes and total cost of care. The system, developed by expert clinicians and based on peer-reviewed literature, organizes data about cancer patients to arrive at homogenous groupings of patients to enable big data analytic approaches.

We believe the proposed model will meet MACRA requirements for an Advanced Alternative Payment Model because HMH uses certified EHR technology, bases payment on quality measures, and will bear more than a nominal financial risk through this program. This model is similar to other bundle-focused CMS programs. Because of the complexity and longer episodes of care in cancer care, we believe that a unique disease specific model is necessary to address the intrinsic clinical, financial and episodic length issues found in oncology.



### Goals of the Model

Our goal is to optimize the clinical outcomes of each individual patient and reduce total cost of care for the population we serve. Clinical outcomes include efficacy (complete and partial response rates and time to best response), durability (progression and overall survival), safety (incidence and severity of toxicity), quality of life (performance status and quality of life) and survivorship (including end of life care). By understanding clinical treatment variations for patients with the same CNA, we can reduce unnecessary expenditures and improve clinical outcomes for each patient. If the model succeeds in achieving the triple aim our objective is to expand for all HMH oncology patients, regardless of insurer.

### Expected Participants

The cancer patient panels of the approximately 70 medical, surgical, and radiation oncologists at HMH will be included in this model, comprising approximately 7,000 Medicare beneficiaries with cancer. Patients with localized (adjuvant) and metastatic disease will be included. The PFPM will use the comprehensive care delivery approach of a bundle program, thus all healthcare delivery members involved in the care of the patient will be expected to participate. Additionally, Horizon Blue Cross Blue Shield of New Jersey is planning to launch a bundled payment program with HMH in 2017, and data from which will augment CNA Guided Care algorithms. The bundled payment approach has been piloted between Horizon and the John Theurer Cancer Center (the largest cancer provider within HMH) for patients with breast, colon and lung cancer. Further expansion of the CNA Guided Care program to other commercial payers is anticipated.

### Implementation Strategy

The HMH health system spans New Jersey and encompasses the services for comprehensive oncology care, including dedicated oncologists, 13 inpatient hospitals, 6500 employed and affiliated physicians, home health, rehabilitation clinics, skilled nursing, and mental health facilities. HMH has the operational and clinical infrastructure necessary to implement the program. COTA, a healthcare technology company that empowers providers, payers and pharma with data and technology, has established relationships with HMH and is currently accessing from the system's electronic health records and analyzing its real world data. COTA also is already facilitating another CNA Guided Care bundle program and supporting an Oncology Care Model (OCM) program and lessons learned will assist rapid implementation of this PFPM.

### Timeline

We expect to submit the proposal December 2016. If approved, HMH and COTA will move to implement the proposed payment model within months of PTAC and HHS approval.

Signed,

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