

February 17, 2017

Physician-Focused Payment Model Technical Advisory Committee
c/o U.S. DHHS Asst. Secretary for Planning and Evaluation
Office of Health Policy
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Letter of Intent – [Dr. Kyle Fluegge, Multi-provider, bundled episode-of-care payment model for treatment of chronic hepatitis C virus (HCV)]

Dear Committee Members,

On behalf of Project INSPIRE and the New York City (NYC) Department of Health and Mental Hygiene (DOHMH), I am writing to express our intent to submit a Physician-Focused Alternative Payment Model (APM) for PTAC review on **May 1st, 2017**.

Project INSPIRE is a Center for Medicare & Medicaid Innovation (CMMI) healthcare innovation awardee that is a collaboration between the NYC DOHMH, Weill Cornell Medical College, two managed care organizations, HealthFirst and VNSNY CHOICE and two clinical partners, Mount Sinai Medical Center and Montefiore Medical Center. These partners have developed an innovative model of care coordination for treatment of the hepatitis C virus (HCV) for high-needs patients with multi-morbidity in New York City.

Care coordination (CC) provides an integrated system of medical and behavioral health care, including comprehensive psychosocial assessment and treatment readiness counseling, medication adherence support, health promotion and health coaching to promote patient self-sufficiency. CC fosters better patient-provider communication, reduces missed appointments and loss to follow-up, and is directly associated with improved clinical outcomes including cure. HCV cure, also called sustained virologic response (SVR), directly results in long-term reductions of end-stage liver disease, liver cancer, transplants and the long-term healthcare costs associated with these conditions.

Payment Model Overview: The purpose of the payment model is to incentivize the use of CC to facilitate the achievement of HCV treatment completion and cure. The payment model will provide reimbursements and bonuses to clinicians for CC services that, as described above, result in increased rates of treatment completion and cure, while achieving cost savings by more appropriate prescribing of expensive medications.



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We are proposing a multi-provider, bundled episode-of-care as the basic structure of payment for the currently unreimbursed service of CC by unlicensed providers. Physicians may bill directly for CC and provide the services or subcontract those services to community partners via a payment arrangement consistent with the episode of care. The episode of care consists of three phases: (1) clinical evaluation, preparation for treatment and initiation of CC services, (2) treatment phase, where CC services are key to support medication adherence, and (3) post-treatment phase, which ends with demonstration of cure via a laboratory test. Weill Cornell worked with the Project INSPIRE clinical partners to conduct a cost analysis that documented the costs for each phase.

Goals of the Model: The specific goal of this payment model is to support the Project INSPIRE service delivery model of CC for treatment of HCV. This model emphasizes case conferencing and tele-mentoring consultation services in conjunction with clinical care and treatment to achieve SVR. The model complements intensifying HCV elimination efforts, including the first state HCV elimination summit held in New York on February 7, 2017, by incentivizing providers to screen and treat those at greatest risk of infection, including ‘Baby Boomers,’ a sizable portion of the Medicare population (estimated at almost 408,000 in 2009 with an associated cost of \$2.7 billion to Medicare).¹ Currently there is no payment model supporting CC for HCV infection management. We believe CC is a crucial input towards achieving not only quality of care among individuals with HCV and a high degree of multi-morbidity, but also a proven method for reducing the population-level burden associated with liver disease and, potentially, other expensive chronic diseases.

Expected Participants: Eligibility for patient services, including CC and treatment, will be determined by whether the beneficiary has a detectable HCV RNA viral load. Patient services will take place at institutions that have the necessary infrastructure to deliver ongoing CC successfully and to a wide mix of patients, including those living in urban and rural areas.

Implementation Strategy: The organization submitting the proposal and the principal investigator of Project INSPIRE is DOHMH. Currently, there are two provider organizations facilitating treatment of INSPIRE enrollees: Montefiore Medical Center and Mount Sinai Health System. These providers are interested in participating in subsequent payment model implementation.

Timeline: DOHMH plans to submit a full proposal by May 1, 2017. Given that this model could use existing complex chronic care management codes, advanced care management or other CPT codes, implementation of this model could start as soon as possible.

Thanks for your consideration of our intent to submit a full proposal.

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¹ Rein, D. B., Borton, J., Liffmann, D. K., & Wittenborn, J. S. (2015). The burden of hepatitis C to the United States Medicare system in 2009: descriptive and economic characteristics. *Hepatology*. 63(4): 1135–1144