

# Changing the Way Urology Care is Delivered for Better, Lower-Cost Outcomes

## Overview

A major trend is rapidly taking hold in the health care industry, and it has the potential to dramatically change the standard payment structure used to reimburse physicians and providers across the country. It's called value-based reimbursement and it rewards physicians for providing patients with evidence-based medicine, while advancing safe, appropriate and effective care.

Independent Health and some forward-thinking, high-performing physician practices are on the leading edge of moving from a volume-based, fee-for-service model that drives often unnecessary overutilization of visits, tests, treatments and procedures toward value-based reimbursement.

Among the practices Independent Health is working with is WNY Urology, a multi-specialty group practice with specialties in urology, urogynecology, radiation oncology and urologic pathology. It has approximately two-thirds of the urology medical care market in the region. WNY Urology and its affiliate company, Cancer Care of WNY, have offices in Erie, Niagara, Genesee, Chautauqua and Cattaraugus counties.

## Objective

Prostate cancer is the third leading cause of cancer death in American men, behind only lung cancer and colorectal cancer. About 1 man in 7 will be diagnosed with prostate cancer during his lifetime. The American Cancer Society's estimates for prostate cancer in the United States are:

- About 161,360 new cases of prostate cancer
- About 26,730 deaths from prostate cancer

While prostate cancer patients are receiving earlier diagnoses than ever before, a wide variation of treatment and management options currently exist. Substantial variation in treatment can often lead to unnecessary tests and procedures, which result in higher costs and inefficient care.

In the fall of 2013, Independent Health approached WNY Urology/Cancer Care of WNY with the idea of partnering on an alternative payment model that would

## CASE STUDY

Independent Health and WNY Urology/Cancer Care of WNY have worked together on developing a value-based reimbursement program that is improving the quality of care and treatment that patients with prostate cancer receive, while lowering overall medical costs by reducing unnecessary services.

Results of this program include:

- WNY Urology's/Cancer Care of WNY's quality metrics were 7 percent higher than its peers.
- WNY Urology's/Cancer Care of WNY's cost-per-episode rate for prostate cancer treatment was 37 to 44 percent lower than peers depending upon the line of business.
- Radiation rates decreased from 17.4 to 11.7 percent of episodes for Independent Health Commercial members and from 13.1 to 7.6 percent of episodes for Independent Health Medicare members.

reward its physicians for adhering to best practices. Under this proposed model, physicians from WNY Urology/Cancer Care of WNY would be empowered to change the way they delivered care in order to drive down overutilization and make the system work better for patients diagnosed with prostate cancer, as well as other conditions that impacted the urinary-tract system and male reproductive organs.

Independent Health believed this would be a win-win strategy for everyone, as it would improve the quality and efficiency of care that WNY Urology/Cancer Care of WNY patients receive, enhance patient satisfaction and lower overall medical costs by reducing unnecessary services and treatment.

## Approach

Independent Health and WNY Urology/Cancer Care of WNY leadership agreed to jointly work on creating a value-based model with the following objectives:

- Develop a trusting relationship around data transparency;
- Move away from volume-based fee-for-service payments, which incentivize higher cost treatments but have no effect on quality;
- Move toward shared decision-making within the practices;
- Include cost and quality metrics.

Following six months of intensive planning and preparation, the organizations launched a series of value-based reimbursement programs on July 1, 2014. One of the first programs focused on improving prostate cancer treatment.

The WNY Urology/Cancer Care of WNY physicians who participated in the value-based prostate cancer treatment program were provided with utilization reports and data trends by Independent Health on a quarterly basis. Using this information, along with high-level evidence and clinical guidelines, each doctor was able to identify opportunities to eliminate unnecessary testing and reduce the variation within the practice of how they treat patients for prostate cancer. At the same time, all decisions on care and treatment were left solely to the physicians and their patients.

Thanks to the ongoing collaboration and transparency between Independent Health and WNY Urology/Cancer Care of WNY, the program has produced impressive results and been beneficial to all involved.

## Results

During the first two years of the value-based prostate cancer treatment program, WNY Urology/Cancer Care of WNY physicians earned all of the incentive dollars available to them. They were rewarded for meeting and/or exceeding national and local benchmarks for quality and efficiency and for having lower cost-per-episode rates than their peers.

## Performance reports from 2014 through 2016 showed the following positive results:

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In addition to prostate cancer treatment, Independent Health and WNY Urology/Cancer Care of WNY have teamed on value-based programs for the treatment of benign prostatic hyperplasia or BPH (enlarged prostate), kidney stones, overactive bladder and testosterone therapy. These programs have also been successful. For example, the reimbursement method for testosterone treatment has helped to eliminate unnecessary costs and led to a double-digit drop in cost per testosterone treatment, while maintaining patient care and lowering patient cost share.

"Many times barriers are created by well-meaning insurance company administrators in their efforts to reduce the cost of care and keep premiums affordable for their members," said K. Kent Chevli, M.D., a physician at WNY Urology. "Our model is different because it was built on a foundation of teamwork between our physicians and Independent Health. When you combine the insight of physicians on patient care delivery with the insight the health plan data can provide, amazing things can happen which benefit everyone involved in the equation. Our relationship with Independent Health has unequivocally resulted in better care at lower costs."

