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CMS Innovation Center: Oncology Models

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March 1, 2021

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The CMS Innovation Center Statute

"The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures…while preserving or enhancing the quality of care furnished to individuals under such titles"

Three scenarios for success from Statute:

1. **Quality improves; cost neutral**
2. **Quality neutral; cost reduced**
3. **Quality improves; cost reduced (best case)**

If a model meets one of these three criteria and other statutory prerequisites, the statute allows the Secretary to expand the duration and scope of a model through rulemaking

Oncology Care Model (OCM)

1.8 million people annually diagnosed with cancer; a significant proportion are over 65 years

- 6-year voluntary model to improve care & reduce cost (July 1, 2016, through June 30, 2022)

  127 participating practices
  7,000+ practitioners
  5 participating payers
  200,000+ Medicare FFS beneficiaries/year, estimated

- Objective: Provide beneficiaries with **better care coordination to improve quality and decrease cost**
  - Implement six practice redesign activities to achieve **whole practice transformation**
  - Create two-part **financial incentive** with $160 payment for Enhanced Services ("MEOS") and potential for performance-based payment/recoupment based on savings and quality in 6-month chemotherapy episodes of care
  - Institute robust **quality** measurement
  - Engage **multiple payers** to transform care across the patient population

Practice Redesign Activities

1) Patient navigation

2) Care plan with 13 components based on IOM Care Management Plan

3) 24/7 access to clinician with real-time access to medical records

4) Use of therapies consistent with national guidelines

5) Data-driven continuous quality improvement

6) Use of certified EHR technology

Better Care for Cancer Patients: Anecdotes from OCM Practices

- Care transformation: “Enables us to do **what we’ve always wanted to**”
- Improving **care coordination, symptom management, palliative care, and end of life care**
- Recognizing **depression and distress** in cancer patients
- Addressing **financial toxicity**
- **Improving communication** with patients and other providers

Key Takeaways: Evaluation of OCM's PP1-PP5

Quality of care maintained under the OCM model

Healthcare service **utilization remains largely unchanged**

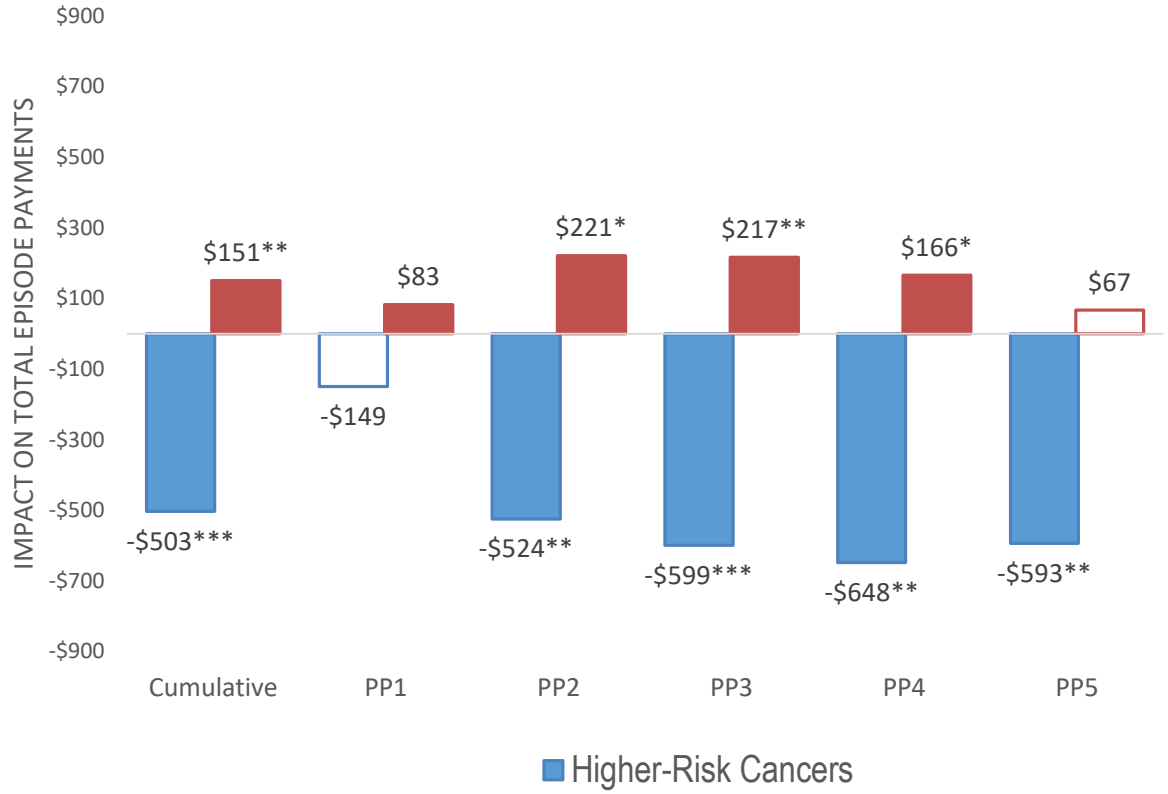
Shift toward **higher-value supportive care drugs**

Significant relative **reduction in total episode payments** (TEP) of $297 was negated after accounting for MEOS and reconciliation payments resulting in **net losses of $316M***

*Gross reduction in total episode payments are based on 5 performance periods and net savings are based on 4 performance periods

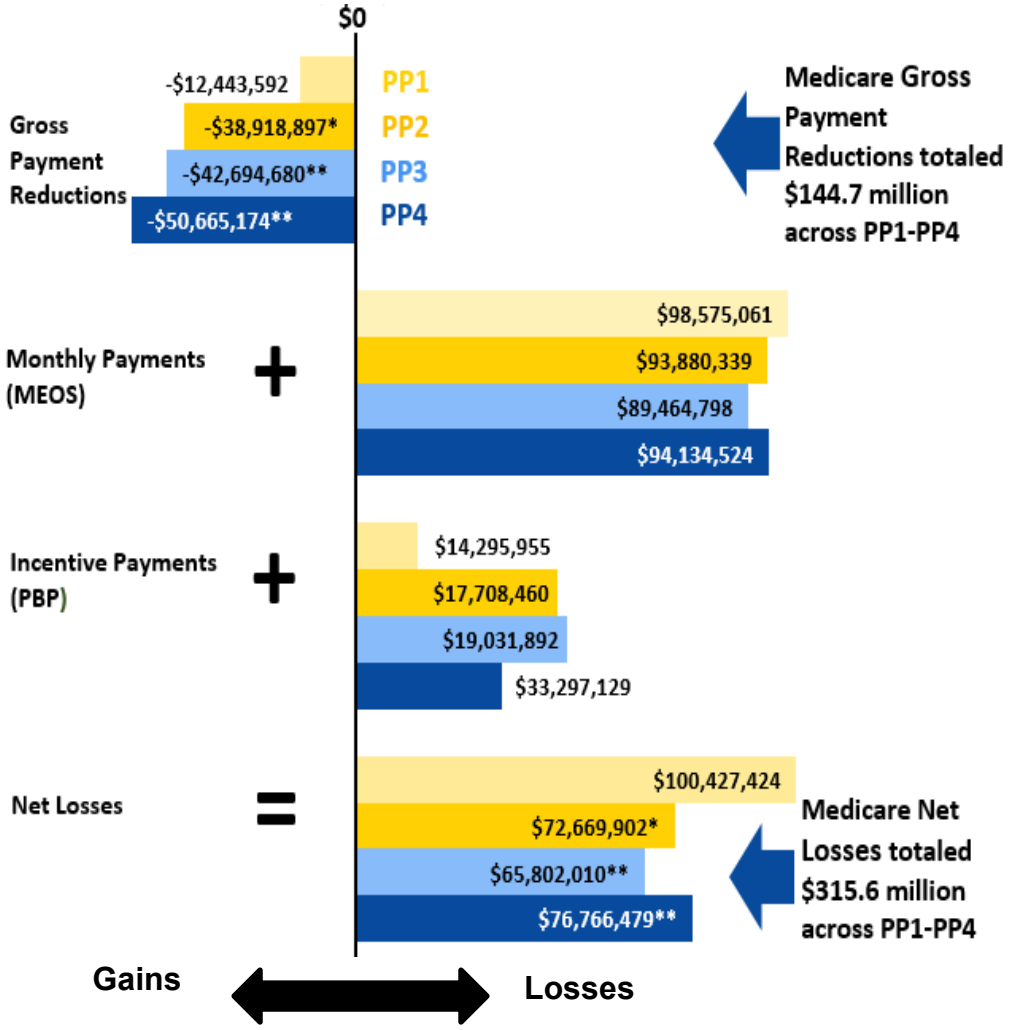
OCM Cost Impacts by Type of Episode and Performance Period

Higher-Risk Episodes	↓	$503 less increase**	1.3% of baseline
Lower-Risk Episodes	↑	$151 more increase**	2.1% of baseline
All Episodes	↓	$297 less increase**	1.0% of baseline



Source: Medicare claims 2014–2019. Asterisks denote statistically significant impact estimates at *p<0.10, **p<0.05, and ***p<0.01.

OCM Cost Impacts Including Model Payments (PP1-PP4)



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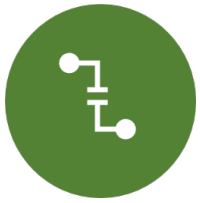
Radiation Oncology (RO) Model: Goals

Align payments to **quality and value**, rather than volume

Offer RO participants more **predictable payments**



Address the **site-of-service payment differential**

Key Components of RO Model Design

- **Required participation** for physician group practices, freestanding radiation therapy centers, and hospital outpatient departments in randomly selected CBSAs (approx. 30% of national episodes)
- **16 selected cancer types**
- **Included modalities:** external beam (3-dimensional conformal radiotherapy, intensity-modulated radiotherapy, stereotactic radio surgery, stereotactic body radio therapy, proton beam therapy,* image-guided radiation therapy) and brachytherapy

* Exclusion for proton beam therapy (PBT) that is furnished to an RO beneficiary participating in a federally funded, multi-institution, randomized control clinical trial for PBT.

Key Components of RO Model Design (cont'd)

- **90-day episodes** for the Professional component and Technical component of radiation therapy (RT) services
- **Prospective,** site neutral episode payment with an annual retrospective payment reconciliation
- Payments cover select RT services furnished during an episode; **not total cost of all care**

For More Information

- Oncology Care Model: https://innovation.cms.gov/innovation-models/oncology-care
- Radiation Oncology Model: https://innovation.cms.gov/innovation-models/radiation-oncology-model