

MODEL OVERVIEW

The six-year Oncology Care Model (OCM) attempts to control costs by improving care coordination and access to care for Medicare beneficiaries receiving chemotherapy for cancer within six month episodes. Episodes are grouped into six month performance periods (PP) based on episode start dates. The model launched on July 1, 2016, and will operate for 11 consecutive PPs. OCM leverages a two-pronged financial approach to incentivize high-quality care: a per-beneficiary \$160 Monthly Enhanced Oncology Services (MEOS) payment, and the potential to earn performance -based payments (PBPs) for meeting Model quality and cost goals. This report examines the first five PP for episodes that began in mid-2016 and ended by July 2019.

PARTICIPANTS

176



OCM PRACTICES

1-350+ ONCOLOGISTS
PER PRACTICE

641,451 OCM EPISODES

Lower
-Risk
34%

Higher-Risk
66%

Majority of cancer
episodes classified as
higher-risk

*Lower-Risk Episodes: breast and prostate cancers treated with hormonal-only therapies, bladder cancers treated by Bacillus Calmette-Guérin therapy and/or mitomycin. Higher-Risk Episodes: all other types.

FINDINGS



Shift Toward Higher-Value Supportive Care Drugs

- OCM led to higher-value (more cost-conscious) use of supportive care drugs to prevent nausea, neutropenia, and cancer-related bone fractures
- No sign that OCM is driving value-oriented chemotherapy or radiation treatment



Healthcare service utilization remains largely unchanged

- No meaningful OCM impact on ED visits, hospitalizations overall, chemotherapy-related side effects, office visits, or post-acute care, or on hospice use or timing



Quality of care maintained under the OCM model

- OCM patients continue to rate care experience very highly (no change over time)
- Slight reduction in hospitalizations in the last month of life (1%)

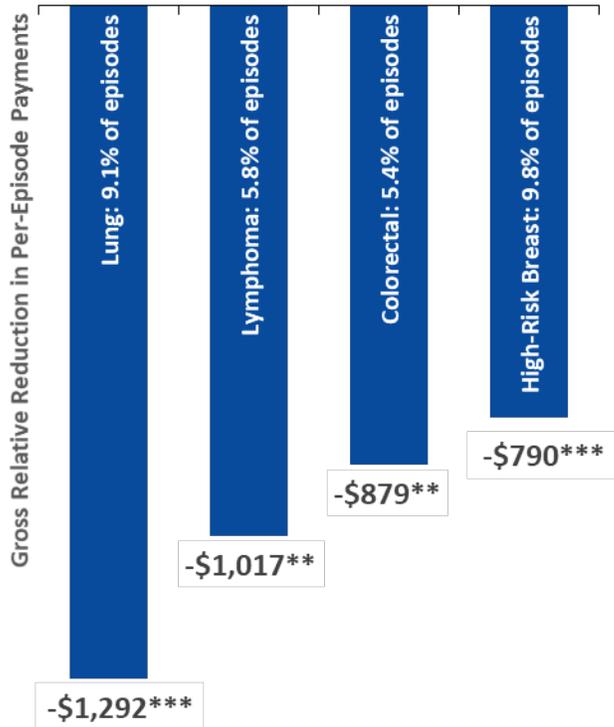
Findings at a Glance



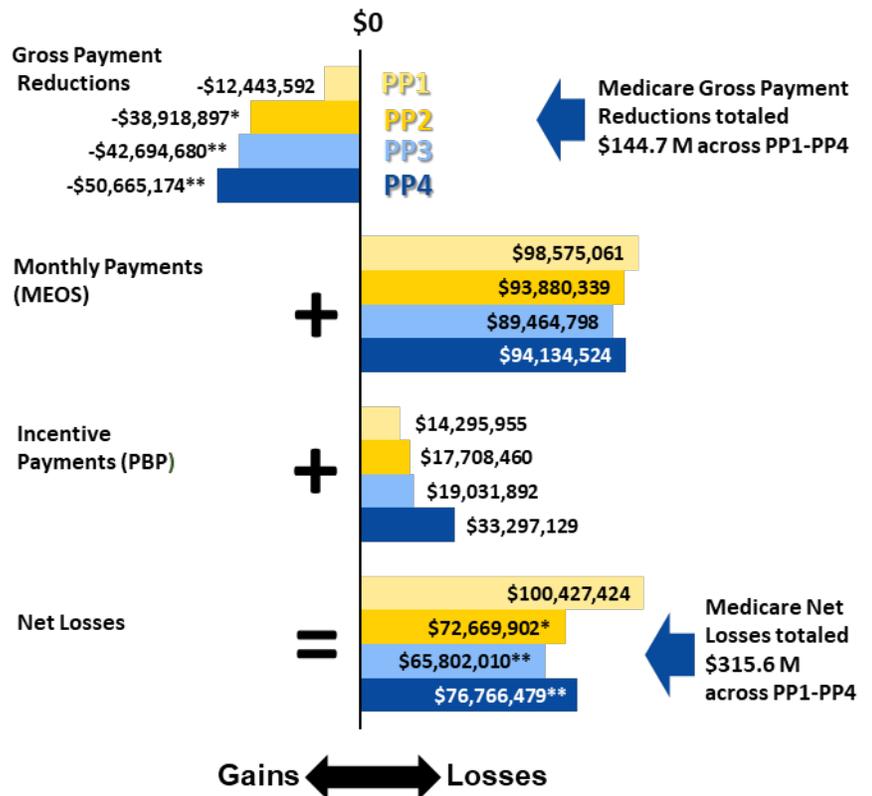
Total episode payments are increasing in general, due to rising Part B chemotherapy drug payments. Increases were significantly blunted in higher-risk OCM episodes, but the trend is in the opposite direction for lower-risk episodes.

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

Payment reductions concentrated in four higher-risk cancer episodes



OCM Resulted in Net Losses for Medicare



*Statistically significant at p<0.10. **Statistically significant at p<0.05. ***Statistically significant at p<0.01

KEY TAKEAWAYS

OCM aims to achieve cost savings by improving care delivery processes such as patient navigation and adherence to national clinical guidelines. Many OCM practices focused on proactive outreach to patients and same-day care to avoid ED visits and hospitalizations. However, there was no OCM impact on patient-reported symptom management, or ED visits/hospitalizations due to chemotherapy side effects.

Medicare payments for higher-risk episodes declined relative to comparisons, but increased for lower-risk episodes. When model payments from PP1-4 were included (MEOS and PBP), OCM resulted in net losses for Medicare.