

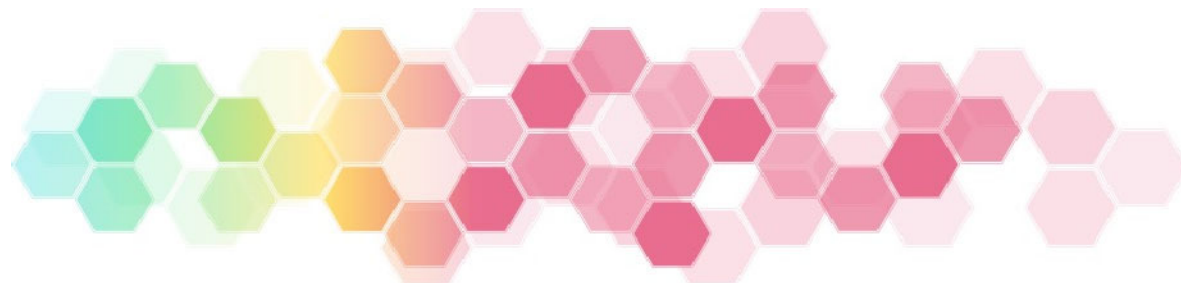
EXAMPLE: MEOS PAYMENTS

Practice A has the option to bill up to 6 MEOS payments for each of their 16 attributed episodes

For episodes like Cynthia's that involve a **dually eligible beneficiary**, the amount of each MEOS payment is \$140. For episodes like David's in which the beneficiary is **not dually eligible**, the amount of each MEOS payment is \$110

Practice A billed 6 MEOS payments for Cynthia's episode (\$840 in total) and billed 6 MEOS payments for David's episode (\$660 in total)

Cynthia		✓	✓	✓	✓	✓	✓						
David						✓	✓	✓	✓	✓	✓		
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	



CALCULATE ACTUAL EXPENDITURES

EOM participants are accountable for the **total cost of care** for each attributed episode. EOM participants in a pool are **jointly accountable** for the total cost of care for all episodes attributed to participants in the pool

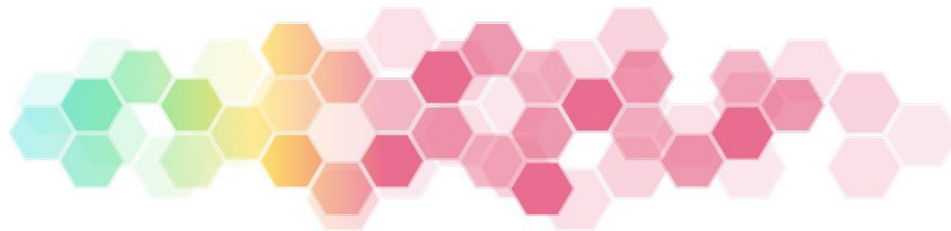
Episode expenditures will **include all Medicare expenditures for all items and services** provided to the **EOM beneficiary** during the episode **by any Medicare providers or suppliers**

Included

- ✓ All non-excluded Medicare Part A and Part B FFS expenditures
- ✓ Certain Part D expenditures
 - The Low-Income Cost-Sharing Subsidy amount
 - Medicare portion of the Gross Drug Cost above the Out-of-Pocket Threshold (80%/20% depending on fill date)
- ✓ Certain payments from overlapping participation in other CMS initiatives
- ✓ The base amount (\$110) of each MEOS payment billed for the episode

Excluded

- Certain MS-DRGs
- Any Part D expenditures not specifically included
- OCM-specific payments and recoupments (MEOS & PBP)
- The additional \$30 included in each MEOS payment for a dually eligible beneficiary
- Payments from overlapping participation in other CMS initiatives that are not based on expenditures (e.g., based on quality)



340B DRUG PRICING PROGRAM

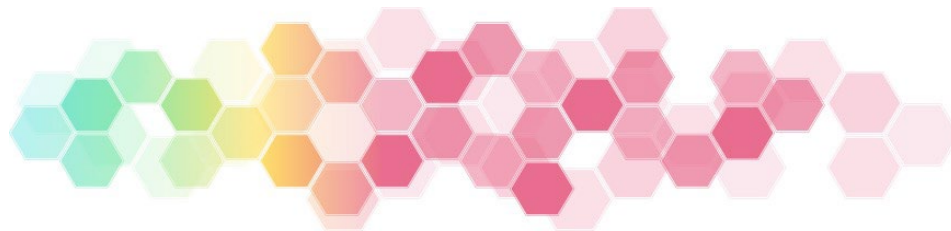


During an episode, a beneficiary may receive drugs that were purchased at a discounted price through the 340B Drug Pricing Program

When calculating episode expenditures and benchmark prices, CMS uses standardized payment amounts* that remove the impact of 340B pricing. That is, the standardized payment amounts reflect what the non-340B payment would have been

340B participation is neither an advantage nor a disadvantage with respect to EOM benchmarking and financial performance

** Standardized payments also exclude geographic differences and certain Medicare payment adjustments (e.g., graduate medical education payments) to make Medicare payments comparable across providers nationwide. For more information, please see the [CMS Payment Standardization Overview](#) provided by the Research Data Assistance Center (ResDAC)*



OVERLAP WITH OTHER CMS PROGRAMS AND INITIATIVES



Overlap Adjustments


When determining actual expenditures, CMS will make adjustments to **account for overlap** between EOM and other CMS programs and initiatives:

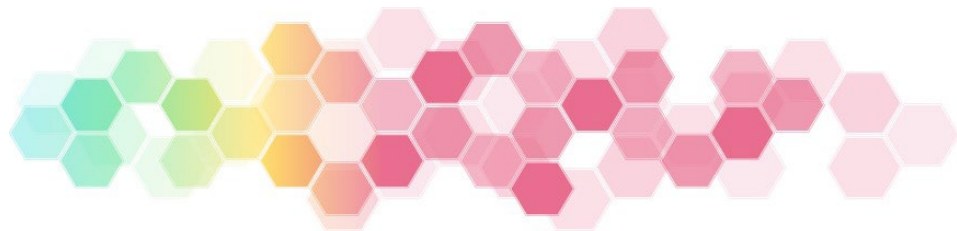
- EOM participants may be participating in additional CMS initiatives
- EOM beneficiaries may be aligned to another CMS initiative

These adjustments ensure that expenditures **reflect amounts that would have been paid** by Medicare in the absence of other CMS initiatives, and that payments or recoupments are not **double counted**

CMS initiatives that may overlap with EOM*

- ✓ Medicare ACOs
- ✓ OCM
- ✓ BPCI, BPCI Advanced, CJR, and MCCM
- ✓ Comprehensive Primary Care Plus (CPC+)
- ✓ Primary Care First (PCF)
- ✓ Making Care Primary (MCP)
- ✓ GUIDE
- ✓ Maryland TCOC and PARHM

 * Not an exhaustive list; see [EOM RFA](#) for additional details about overlap



CALCULATE ACTUAL EXPENDITURES

CMS will sum the included expenditures for each performance period episode

Episode expenditures reflect certain adjustments, such as:

- ✓ Overlap adjustments
- ✓ Winsorization adjustment to limit influence of outliers



Actual Expenditures for a Performance Period

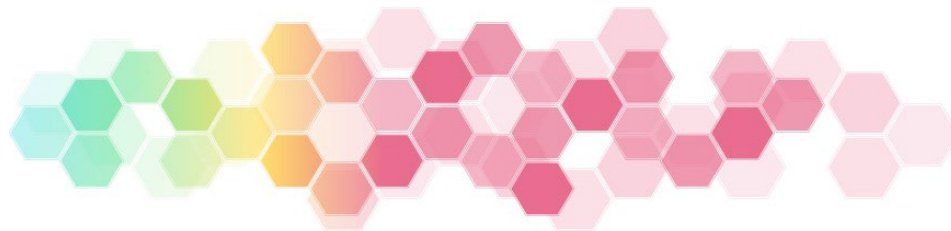
For non-pooled EOM participants:

Sum of included expenditures for all episodes attributed to the participant



For Pools:

Sum of included expenditures for all episodes attributed to all EOM participants in the pool



EXAMPLE: CALCULATE ACTUAL EXPENDITURES



Cynthia's Episode Expenditures

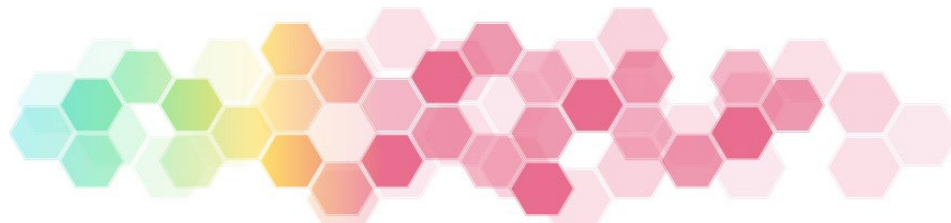
- Include the base amount (\$110) of six MEOS payments (\$660 total)
- Exclude the additional \$30 PBPM added to MEOS payments for a dually eligible beneficiary (\$180 total)



David's Episode Expenditures

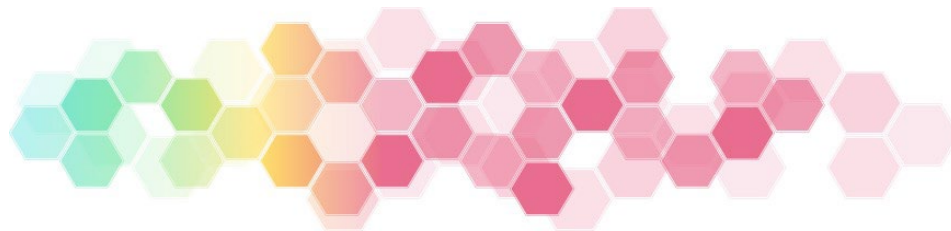
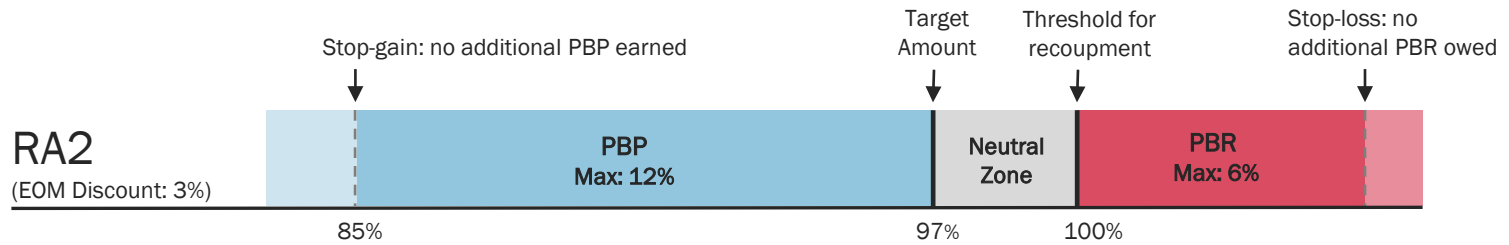
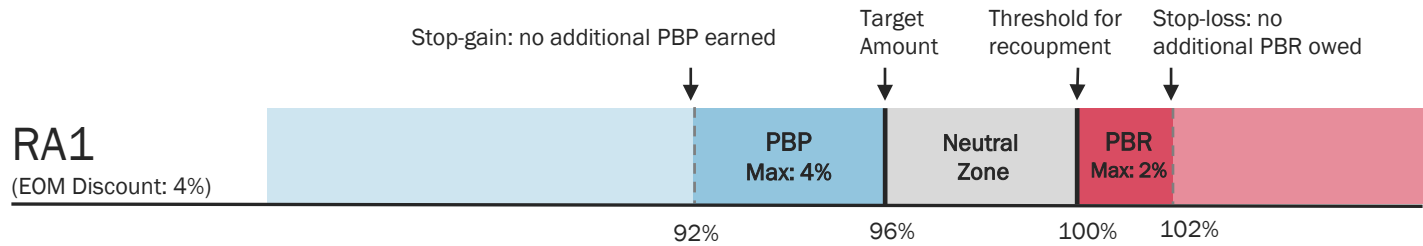
- Include six MEOS payments (\$660)
- Include care David received for hypertension from a different Medicare provider
- Reflect adjustments for overlap between Primary Care First and EOM

Practice A's actual expenditures for this performance period are the sum of the included expenditures for all 16 attributed episodes



DETERMINE OUTCOME: PBP, PBR, OR NEUTRAL ZONE (1 OF 2)

For each performance period, CMS will compare each EOM participant's or pool's **total expenditures** to their **target amount** and **threshold for recoupment** to determine whether they earned a PBP, owe CMS a PBR, or fall into the neutral zone



DETERMINE OUTCOME: PBP, PBR, OR NEUTRAL ZONE (2 of 2)

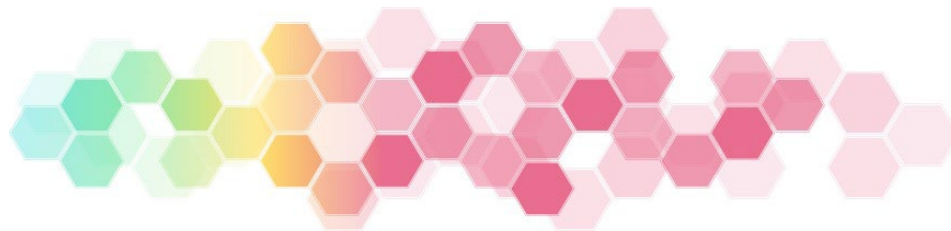
EOM participants or pools whose actual expenditures are below their target amount must meet additional criteria in order to receive a PBP. For a pool to receive a PBP, all EOM participants in the pool must meet the PBP eligibility criteria.

Eligibility to Receive PBP

The EOM participant or pool must satisfy all PBP eligibility requirements, including but not limited to:

- **Achieve an aggregate quality score (AQS)** that meets or exceeds the minimum performance threshold
- **Accurate, complete, and timely submission of data** in the time and manner specified by CMS on all of the required data elements
- **Implement the required participant redesign activities (PRAs)** during the relevant performance period, including furnishing Enhanced Services to EOM beneficiaries and using Certified Electronic health Record Technology (CEHRT) and data for continuous quality improvement (CQI)

PBP eligibility criteria will be detailed in the participation agreement



CALCULATE PBP AMOUNT

If an EOM participant or pool has earned a PBP, CMS calculates their savings relative to their target amount

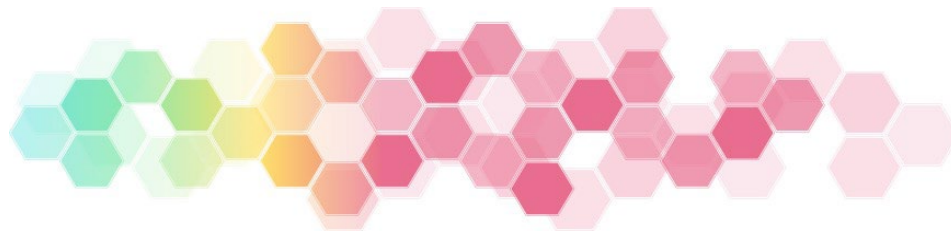
$$\text{Savings} = \text{Target Amount} - \text{Actual Expenditures}$$

PBP amount is based on **smaller of two amounts:**

- Savings relative to target amount
- Stop-gain under the selected risk arrangement

Risk Arrangement	Stop-Gain
RA1	4% of benchmark amount
RA2	12% of benchmark amount

This amount is multiplied by the **PBP performance multiplier** (based on quality performance), a **geographic adjustment**, and a **sequestration adjustment** to obtain the **final PBP amount**



CALCULATE PBR AMOUNT

If an EOM participant or pool owes a PBR, CMS calculates their expenditures above the threshold for recoupment

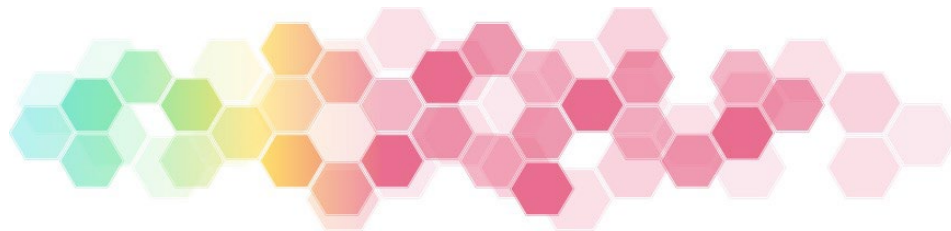
$$\text{Expenditures Above Threshold for Recoupment} = \text{Actual Expenditures} - \text{Threshold for Recoupment}$$

PBR amount is based on the **smaller** of two amounts:

- Expenditures above threshold for recoupment
- Stop-loss under the selected risk arrangement

Risk Arrangement	Stop-loss
RA1	2% of benchmark amount
RA2	6% of benchmark amount

This amount is multiplied by the **PBR performance multiplier** (based on quality performance), a **geographic adjustment**, and a **sequestration adjustment** to obtain the **final PBR amount**



EXAMPLE: RECONCILIATION

Practice A’s benchmark amount for this performance period is **\$1,000,000**

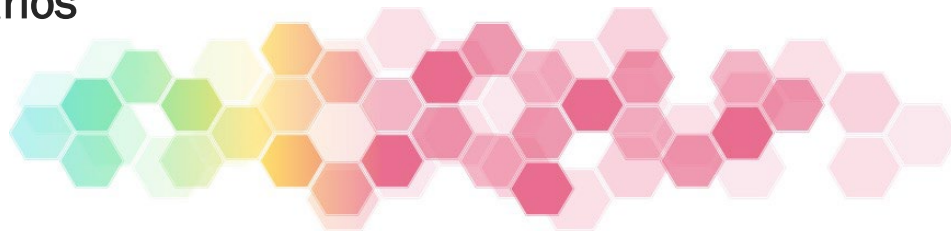
Under Risk Arrangement 1 (RA1), this benchmark amount corresponds to:

Target amount	\$960,000
Threshold for recoupment	\$1,000,000
Neutral zone	Between \$960,000 and \$1,000,000
Stop-gain (4% of benchmark amount)	\$40,000
Stop-loss (2% of benchmark amount)	\$20,000

Additional Details:

- Practice A’s quality performance for this performance period results in:
 - PBP performance multiplier of 0.75
 - PBR performance multiplier of 0.95
- Practice A met all other eligibility criteria to earn a PBP
- Practice A’s geographic adjustment is 1.03.
- Sequestration has been in effect throughout the performance period

This information applies to all three scenarios on the following slides



EXAMPLE: SCENARIO 1

Actual expenditures for Scenario 1: **\$925,000**

Less than the target amount (\$960,000)

Outcome: Practice A has **earned a PBP**

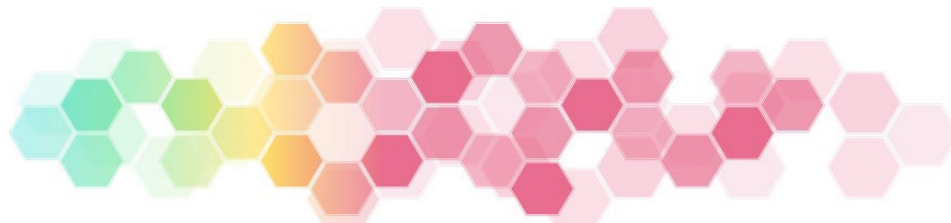
Savings below target amount: **\$960,000 - \$925,000 = \$35,000**

Practice A's savings are less than the stop-gain (\$40,000), so the PBP amount is based on these savings

PBP amount calculation:

$$\begin{matrix} \$35,000 \\ \text{(Savings relative} \\ \text{to target amount)} \end{matrix} \times \begin{matrix} 0.75 \\ \text{(PBP performance} \\ \text{multiplier)} \end{matrix} \times \begin{matrix} 1.03 \\ \text{(Geographic} \\ \text{adjustment)} \end{matrix} \times \begin{matrix} 0.98 \\ \text{(Sequestration} \\ \text{adjustment)} \end{matrix}$$

Final PBP amount: **\$26,497**



EXAMPLE: SCENARIO 2

Actual expenditures for Scenario 2: **\$1,050,000**

Above the threshold for recoupment (\$1,000,000)

Outcome: Practice A **owes a PBR**

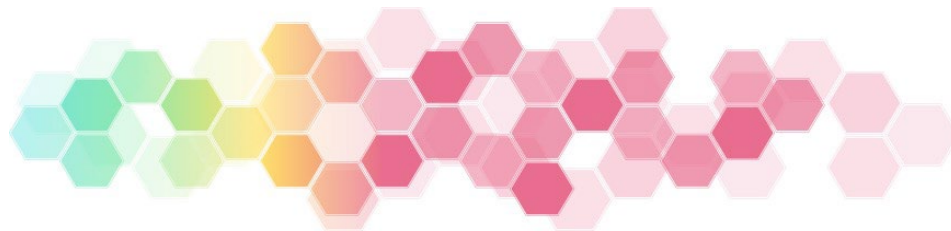
Expenditures above threshold for recoupment **\$1,000,000 - \$1,050,000 = \$50,000**

This amount exceeds the stop-loss (\$20,000), so the PBR will be based on the stop-loss

PBR amount calculation:

$$\begin{array}{ccccccc}
 \$20,000 & & 0.95 & & 1.03 & & 0.98 \\
 \text{(Stop-loss)} & \times & \text{(PBR performance multiplier)} & \times & \text{(Geographic adjustment)} & \times & \text{(Sequestration adjustment)}
 \end{array}$$

Final PBR amount: **\$19,179**



EXAMPLE: SCENARIO 3

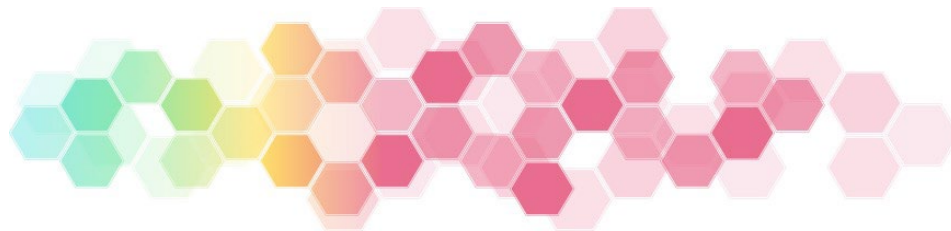
Actual expenditures for Scenario 3: \$975,000

Above the target amount (\$960,000)

Below the threshold for recoupment (\$1,000,000)

Outcome: Practice A falls into the neutral zone

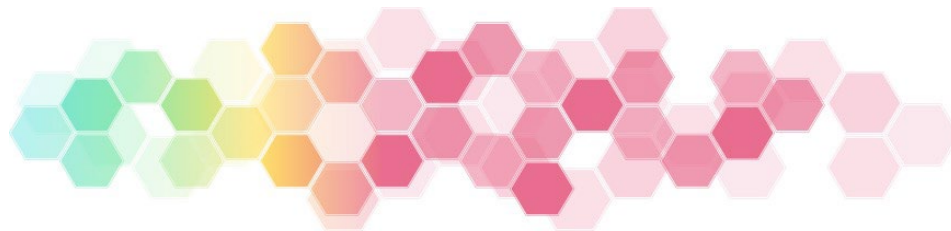
Practice A does not earn a PBP or owe a PBR for this performance period



WHAT IF PRACTICE A HAD SELECTED RA2?

Practice A's benchmark amount for this performance period is *\$1,000,000*

	RA1	RA2
Target Amount	\$960,000	\$970,000
Threshold for Recoupment	\$1,000,000	\$1,000,000
Stop-Gain	\$40,000	\$120,000
Stop-Loss	\$20,000	\$60,000
Scenario 1: Expenditures = \$925,000		
Reconciliation Outcome	PBP	PBP
Final PBP Amount	\$26,497	\$34,067
Scenario 2: Expenditures = \$1,050,000		
Reconciliation Outcome	PBR	PBR
Final PBR Amount	\$19,179	\$47,947
Scenario 3: Expenditures = \$975,000		
Reconciliation Outcome	Neutral zone	Neutral zone



RECONCILIATION TIMING AND REPORTS



Each performance period will be reconciled twice. EOM participants and pools will receive a **reconciliation report** and a **true-up reconciliation report** for each performance period

1

Initial Reconciliation

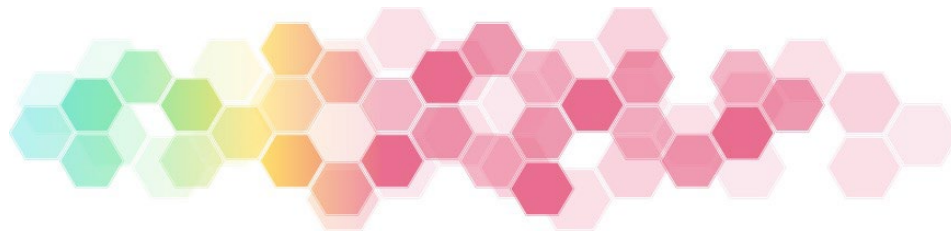
Based on at least **1 month** of claims run-out after the end of the performance period

2

True-Up Reconciliation

Based on **13 months** of claims run-out after the end of the performance period

EOM participants will have the **opportunity to review and contest suspected errors** in both the initial and true-up reconciliation reports **before they become final, and the amounts owed become due**



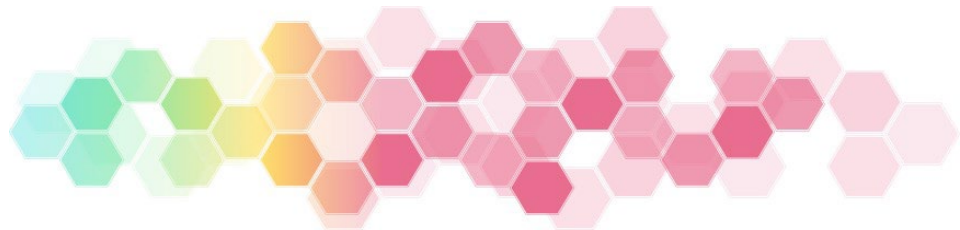
Q&A SESSION

EOM MODEL OPEN Q&A



Open Q&A

Please **submit questions via the Q&A pod** to the right of your screen.
Specific questions about your organization can be submitted to EOM@cms.hhs.gov



ADDITIONAL RESOURCES

HOW TO APPLY



Application period for EOM is currently open

All EOM applications must be submitted by 11:59 pm Eastern Daylight Time on September 16, 2024. CMS may not review applications submitted after the deadline



Submit application to <https://app.innovation.cms.gov/EOM>.

Submission of the PDF version of this application will not be accepted



Refer to <https://innovation.cms.gov/innovation-models/enhancing-oncology-model> for directions on how to access the EOM RFA Application Portal

Once logged into the portal, there are further instructions on how to navigate the application included on the right-hand side of the home page by selecting the “User Manual” link



Refer to the RFA on EOM website for further details

Further details regarding participation requirements and application submission criteria are available in the RFA on the <https://innovation.cms.gov/innovation-models/enhancing-oncology-model>. Applications will be reviewed for completion of all required fields and a signed and dated application certification



Sign up for the EOM listserv

EOM will host additional recruitment events and release more resources during Summer/Fall 2024 to help potential participants understand the model before the application deadline. Sign up for the [EOM listserv](#) to learn about these materials as they are announced

