

MODEL OVERVIEW

The six-year Oncology Care Model (OCM), an alternative payment model for cancer care designed to improve care coordination and access to care for Medicare beneficiaries receiving chemotherapy treatment.

Key Model Features

Launched mid-2016 and spanning eleven 6-month performance periods (PPs), OCM leverages a two-pronged financial approach that incentivizes participating practices to provide high-quality care and reduce costs:

- a per-beneficiary \$160 Monthly Enhanced Oncology Services (MEOS) payment;
- potential to earn performance-based payments (PBPs) for meeting Model quality and cost goals.

Evaluation Report Focus

This report features two companion pieces:

- addendum to our PP1-PP5 report to update impacts on payment-related outcome measures through PP6;
- special report highlighting participants' perspectives, based on 47 evaluation case studies.

All data in the two parts of this report reflect OCM impacts before the COVID-19 public health emergency began in 2020.

PARTICIPANTS



173
Practices



778,869
Episodes



66%
Higher-risk
34%
Lower-risk

FINDINGS

Impact on Total Episode Payments (TEP) Waning



- The TEP relative reduction of about \$300-\$400 per episode (or 1 percent) was significant in PP2-PP5, but not in PP6.
- Change in pattern primarily due to smaller OCM impact for lung cancer episodes, where payments for immunotherapy drugs exceeded that in comparison episodes.



Small OCM impacts on Part A and Part B payments but not Part D

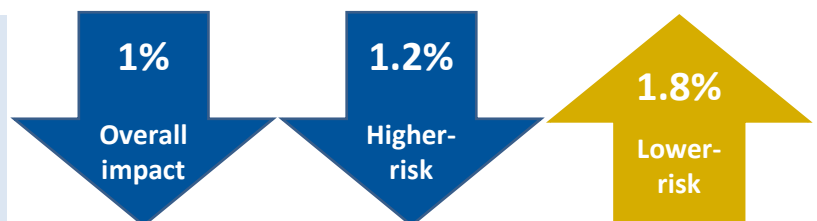
- Among higher-risk episodes, OCM led to a relative reduction in Medicare Part A and B payments but had no impact in Part D payments.
- Conversely, OCM led to a relative increase in Part B spending among lower-risk episodes.



Continued Shift Toward Lower-Cost Non-Chemotherapy Drugs

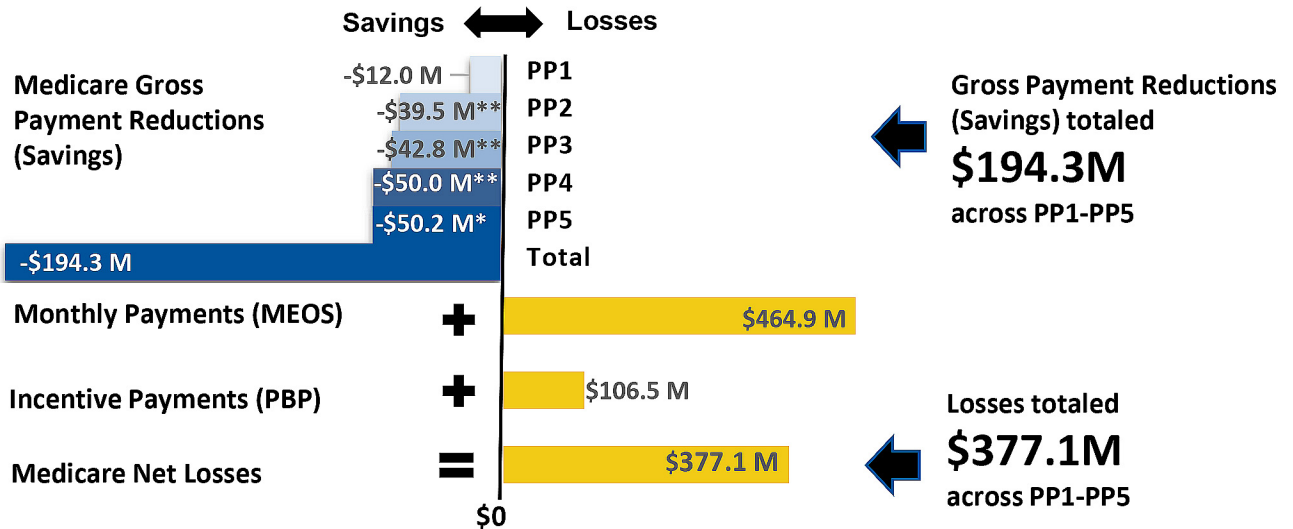
- OCM led to higher-value (more cost-conscious) use of Part B non-chemotherapy drugs, many of which are supportive care drugs to prevent nausea, neutropenia, and cancer-related bone fractures.
- Still no sign that OCM is driving value-oriented chemotherapy or radiation treatment.

OCM led to payment reductions for higher-risk episodes, mainly for high-risk breast cancer, lymphoma, lung cancer, and colorectal cancer. OCM led to payment increases for lower-risk episodes.



Findings at a Glance

OCM resulted in gross reductions, but after accounting for enhanced model payments, OCM resulted in net losses for Medicare



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

Practices transformed cancer care to be more person-centered and standardized care pathways that benefited all patients

- ✓ Expanded same day and after-hours urgent care
- ✓ Greater information sharing with patients
- ✓ Consistent screening and attention to pain, depression and psychosocial needs



- ✓ Greater use of clinical pathways
- ✓ Greater use of biosimilar and generic supportive care drugs
- ✓ Synergies between OCM and commercial payer contracts in value-based oncology care

- ✓ Quarterly Feedback Reports helped practices target QI efforts
- ✓ A few practices blended claims with EHR clinical data to identify higher-risk patients and examine performance by individual oncologists or clinics



- ✓ Standardized workflows and care delivery across multiple clinics
- ✓ Care delivery redesigned for all patients in the practice
- ✓ Clinical pathways decision support

KEY TAKEAWAYS

During PP1 through PP6, OCM significantly reduced TEP by about 1 percent. OCM led to relative reductions in payment for non-chemotherapy Part B drugs often used for supportive care, especially for higher-risk cancer episodes. OCM had no impact on Part B chemotherapy or Part D drug spending—the largest contributors to TEP—suggesting a limited ability of OCM practices to influence oncologists' cancer treatment decisions. When model payments from PP1-5 are included (MEOS and PBP), OCM resulted in net losses for Medicare.

Case studies reveal that OCM led to more person-centered care, data-driven quality initiatives, and greater attention to the use of high-value supportive care drugs. OCM-led care delivery improvements benefited every patient, not only those with Medicare.