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CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE AND MEDICAID INNOVATION

Findings at a Glance

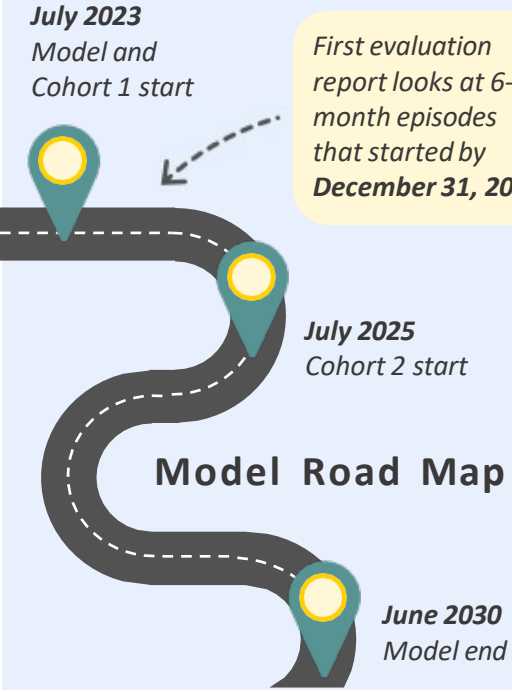
Enhancing Oncology Model

Evaluation of Performance Period 1

(July–December 2023)

MODEL OVERVIEW — *What Is the Enhancing Oncology Model?*

The Enhancing Oncology Model (EOM) is a voluntary model that uses financial and quality incentives to improve care and reduce Medicare spending for patients with seven prevalent cancer types.



- **Goal |** Reshape cancer care by encouraging oncology practices to provide high-quality, patient-centered care while reducing Medicare spending
- **Participants |** Oncology practices and commercial payers
- **Patients |** Medicare fee-for-service patients receiving systemic cancer therapy drugs for breast cancer, chronic leukemia, small intestine/colorectal cancer, lung cancer, lymphoma, multiple myeloma, and prostate cancer
- **Model design |** Episode-based payment model where participants are financially accountable for the total cost of a 6-month episode of care involving systemic cancer therapies (see payment methodology)

EOM builds on the Oncology Care Model (OCM) (July 2016–June 2022) by focusing on cancer types that showed savings, focusing financial incentives, requiring practices to collect electronic Patient-Reported Outcomes, and encouraging shared decision-making to empower patients.

PARTICIPANTS — *What Were the Characteristics of EOM Oncology Practices?*

The 44 oncology practices that chose to participate in EOM were more likely to have prior experience with value-based cancer care through OCM and had more practitioners focused on oncology care.

31 Of the 44 EOM practices, 31 had participated in OCM, EOM's predecessor.

By region, the largest share of EOM practices was in the South.

EOM practices had lower total costs per episode than nonparticipating practices at baseline.

3X EOM practices had nearly 3 times the number of oncology practitioners and almost 4 times the episode volume of nonparticipating practices.

Most EOM practices had multiple sites (14 on average) and were based in the community rather than a hospital or academic medical center.

Patients of EOM practices were less likely than patients of nonparticipating practices to reside in rural areas.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the Enhancing Oncology Model and to download the First Annual Evaluation Report, visit https://www.cms.gov/priorities/innovation/innovation-models/enhancing-oncology-model.

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IMPLEMENTATION

How Did Participants Respond to the Model?

EOM participants reported a focus on lowering drug spending and reducing avoidable acute care utilization.

EOM practices are using high-value pharmacy interventions to reduce episode spending, such as alternative dosing of systemic cancer therapies.

*Systemic cancer treatment drug spending accounts for about **58%** of EOM episode costs.*

Participants are addressing patient needs by offering oncology-specific urgent care, providing care navigation, and encouraging patients to "call us first" before going to the emergency department.

"Drugs have a giant bull's-eye on them … it's a huge cost driver here."

– Chief Medical Officer, EOM Practice

IMPACTS

Did the Model Save Taxpayer Dollars and Maintain Quality?

Early estimates suggest EOM resulted in payment reductions but a net loss to Medicare after accounting for incentive and Monthly Enhanced Oncology Services (MEOS) payments to participants in its first 6 months.

- EOM practices likely decreased Part B systemic cancer therapy spending, which reduced Medicare payments.
- Incentive payments to participants exceeded savings from payment reductions, suggesting a net loss to Medicare.
- EOM did not affect quality or utilization measures, including hospice use before death or acute care utilization.

$13.1M†
estimated reductions in Medicare payments for care during episodes

Range of estimate:
$8.7M increase to $34.9M reduction

–

$26.3M
incentive payments to participants and MEOS payments

=

$13.2M†
estimated net loss

Range of estimate:
$35.1M loss to $8.5M savings

†Estimates are based on limited power and are not conclusive. Analyses of future performance periods may provide additional power to detect future impacts.

KEY TAKEAWAYS

- Most EOM practices brought prior experience in value-based cancer care from OCM.
- Practices reported a focus on value-based pharmacy interventions, which may have driven reductions in Part B cancer therapy spending in EOM's first 6 months. Their efforts to reduce avoidable acute care, however, did not lead to observable impacts in acute care spending.
- EOM likely led to payment reductions without changing the quality of care in its first 6 months, but after accounting for payments to participants, estimates suggest net losses to Medicare.