Oncology Care Model

Overview

CMS is developing new payment and service delivery models that will improve quality and reduce the cost of specialty care. Last year, CMS announced the Comprehensive ESRD Care Model, which will provide enhanced care to beneficiaries with end stage renal disease. The Oncology Care Model (OCM) is the second specialty care model to be announced. OCM is an innovative multi-payer model in which practices enter into payment arrangements that include financial and performance accountability for episodes of care surrounding chemotherapy administration to cancer patients. This model aims to provide higher quality, more highly coordinated oncology care at a lower cost. OCM is a five-year model and will begin in spring 2016.

Background

Cancer is one of the most common and devastating diseases in the United States: more than 1.6 million people are diagnosed with cancer each year in this country.¹ A majority of those diagnosed are over 65 years old and Medicare beneficiaries. Through OCM, CMS, in partnership with oncologists, other providers, States, and commercial plans has the opportunity to support better quality care, better health, and lower costs in the care of this medically complex population. This is in accordance with Health and Human Services Secretary Sylvia M. Burwell’s “Better, Smarter, Healthier” approach to improving our nation’s health care, setting

clear, measurable goals and a timeline to move the Medicare program -- and the health care system at large -- toward paying providers based on the quality, rather than the quantity of care they give patients.

**Innovation Center**

The Oncology Care Model was developed by the Center for Medicare and Medicaid Innovation (Innovation Center), which was established by section 1115A of the Social Security Act (as added by section 3021 of the Affordable Care Act). Congress created the Innovation Center to test innovative payment and service delivery models to reduce CMS program expenditures and improve quality for CMS beneficiaries.

**Model Design**

OCM uses aligned financial incentives, including performance-based payments, to improve care coordination, appropriateness of care, and access for beneficiaries undergoing chemotherapy. The model intends to improve health outcomes, produce higher quality care, and lower costs. Financial incentives for appropriate care should reduce health care expenditures as participating practices address the complex care needs of the beneficiary population receiving chemotherapy treatment, increase their use of high value services, and decrease their use of unnecessary services.

**Participants**

OCM will target beneficiaries receiving chemotherapy treatment and the spectrum of care provided to a patient during a 6-month episode following the start of chemotherapy. Physician practices that furnish chemotherapy treatment may participate in OCM. In addition, in order to participate in OCM, practices must:

- Provide the core functions of patient navigation;
- Document a care plan that contains the 13 components in the Institute of Medicine Care Management Plan outlined in the Institute of Medicine report, “Delivering High-Quality Cancer Care: Charting a New Course for a System in Crisis”;\(^2\)
- Provide 24 hours a day, 7 days a week patient access to an appropriate clinician who has real-time access to practice’s medical records;
- Treat patients with therapies consistent with nationally recognized clinical guidelines;
- Use data to drive continuous quality improvement; and
- Use an ONC-certified electronic health record and attest to Stage 2 of meaningful use by the end of the third model performance year.

\(^2\) Institute of Medicine Report. Levit L, Balogh E, Nass S and Ganz P, ed. Delivering High-Quality Cancer Care: Charting a New Course for a System in Crisis. 2013. The full list of components is in Appendix B.
CMS will track participant performance on a number of quality measures and will provide continual feedback to practices throughout the model. In addition, quality measures will be used to determine the performance-based payments.

**Multi-Payer Model**

OCM is multi-payer model that includes Medicare fee-for-service (OCM-FFS) and other payers such as commercial insurance plans or State Medicaid agencies working together to transform care for all patients living with cancer. CMS invites other payers to participate in OCM by entering into a Memorandum of Understanding (MOU) with CMS. There may be differences between OCM-FFS and other payers in certain areas, such as selection of quality measures for performance-based payment. However, the approach to practice transformation will be consistent across OCM.

**Payments**

OCM-FFS will use a two-part payment approach for participating oncology practices, creating incentives to improve the quality of care and furnish enhanced services for beneficiaries undergoing chemotherapy treatment for a cancer diagnosis. These two forms of payment include: 1) a monthly $160 per-beneficiary care management payment for Medicare FFS beneficiaries; 2) a performance-based payment for OCM episodes. The per-beneficiary-per-month (PBPM) payment for enhanced services will offer participating practices financial resources to aid in effectively managing and coordinating care for Medicare FFS beneficiaries. The potential for a performance-based payment will incentivize participating practices to improve care for beneficiaries and lower the total cost of care over the 6-month episode period. The performance-based payment will be determined based on the practice’s achievement and improvement on quality measures listed in the Request for Applications. Participants will receive regular Medicare FFS payments during the model. Performance-based payments will be calculated retrospectively following the completion of a 6-month episode.

**Episode Definition**

OCM will cover nearly all cancer types. Episodes will begin on the date of an initial chemotherapy administration claim or an initial Part D chemotherapy claim and will not include services provided prior to that date. OCM-FFS episodes will include all Medicare A and B services that FFS beneficiaries receive during the episode period; certain Part D expenditures will also be included. Episodes will terminate six months after a beneficiary’s chemotherapy initiation. The PBPM payment will be discontinued for beneficiaries who enter hospice care. Beneficiaries who receive chemotherapy after the end of an episode will begin a new 6-month episode.

**Application Process**
The Innovation Center will require Letters of Intent (LOIs) from payers and practices. The names of those submitting LOIs will be posted publicly to facilitate cooperation between payers and practices prior to model implementation. Payers and practices will then separately apply to participate in OCM. During the participant selection process, the Innovation Center will prioritize physician practices that propose participating in OCM with Medicare FFS and other payers. All application materials and submission deadlines can be found on the OCM website http://innovation.cms.gov/initiatives/Oncology-Care/

For questions about the model or the application process, visit http://innovation.cms.gov/initiatives/Oncology-Care/ or email OncologyCareModel@cms.hhs.gov

###