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Findings at a Glance

# Oncology Care Model (OCM)
## Evaluation of Performance Periods 1 to 9

## MODEL OVERVIEW

### Oncology Care Model aims to

- ✓ Improve quality of care
- ✓ Lower Medicare payments
- ✓ Save taxpayer money

The six-year Oncology Care Model (OCM) focuses on Medicare fee-for-service beneficiaries with cancer who are undergoing chemotherapy treatment.

OCM combines attributes of medical homes[1] (person-centeredness, accessibility, evidence-based guidelines, and continuous monitoring for improvement opportunities) with financial incentives for providing these services efficiently and with high quality.

## PARTICIPANTS

Active participation in 33 States

1 in 4 Medicare FFS Chemotherapy Patients

4,500+ medical oncologists across 202 practices

OCM patients were representative of all Medicare chemotherapy patients

## FINDINGS

### Improving use of high-value supportive care drugs is a demonstrated strategy for reducing payments

OCM continued to increase higher-value (more cost-conscious) use of supportive care drugs to prevent nausea, neutropenia, and cancer-related bone fractures. These drugs comprised just 8 percent of payments but accounted for roughly half of the payment reductions from OCM, which are described on Page 2.

### OCM was not designed to address health equity, and had few impacts

There were baseline differences for historically underserved populations relative to other patients in acute care, timely-initiation of chemotherapy, and lower use of hospice care at end-of-life, and the gap in these outcomes did not change during OCM. Adherence to high-cost drugs did improve for patients who were Black, Hispanic, or low income, which aligns with the model goal of improving patient coordination. Acute-care utilization increased for Black patients relative to White patients, and for patients with dual eligibility relative to patients with only Medicare.

### Looking ahead to the Enhancing Oncology Model (EOM)

The Innovation Center plans to begin a follow-on Oncology model in 2023, building on lessons learned from OCM. While OCM has reduced payments in higher-risk cancers, reductions have been small to moderate. Over half of payments during episodes were for chemotherapy drugs, but there were no OCM impacts in this area, suggesting untapped potential for generating savings. OCM improved practice-reported measures of quality, including plan of care for pain and screening for depression, but did not improve patient-reported care experience, timely hospice receipt, or outpatient emergency department use. EOM's focus on health equity may provide a strategy for improving performance on claims-based and patient-reported quality measures by reducing known disparities.

This document summarizes the evaluation report prepared by an independent contractor. To learn more information about the OCMmodel and to download the 5th Annual report evaluation report, visit https://innovation.cms.gov/initiatives/oncology-care/

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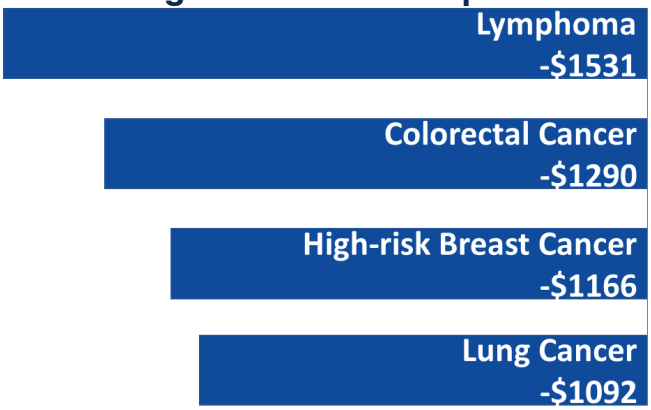
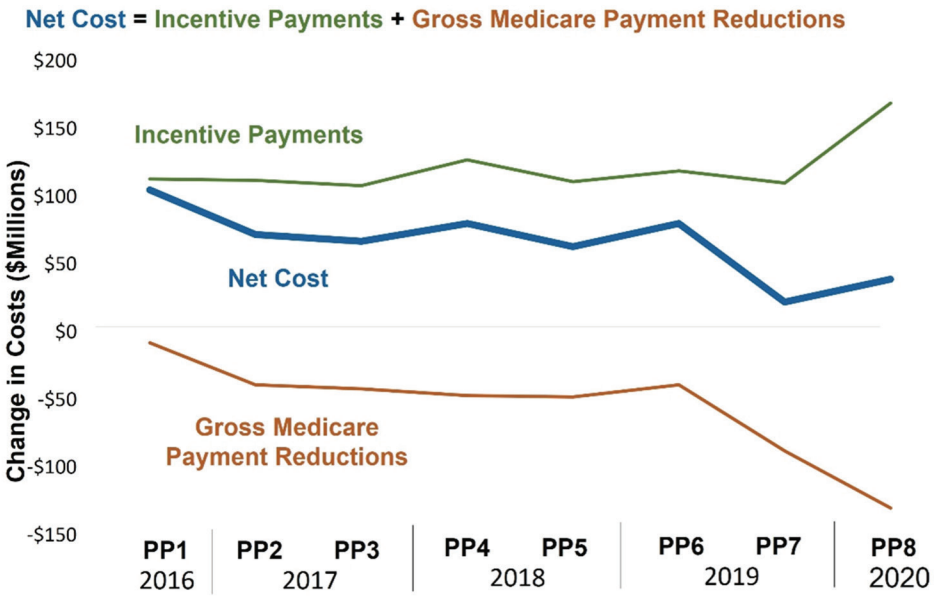
Episode payments increased by over 20% during OCM due to rising drug payments

OCM episodes rose
**$499 (1.7%) less**
than comparison episodes

**Payment reductions concentrated in four higher-risk cancer episodes**




**Despite reduction in total payments, OCM resulted in net losses for Medicare**




**Gross Medicare payment reductions** nearly doubled in Performance Periods 7 and 8 relative to prior periods

Performance-based **incentive payments** increased sharply in Performance Period 8 due to higher payment reductions and Model policy changes

Increased **incentive payments** offset the increased **reductions in Medicare payments**, resulting in **net costs to Medicare**

Incentive payments included performance--based payments for achieving cost and quality benchmarks and monthly per-beneficiary payments for enhanced oncology services. Since the monthly payments for enhanced services were paid to all participants even if they did not achieve benchmarks, incentive payments could exceed gross payment reductions. PP = Performance Period.

## Key Takeaways

OCM covered 1 in 4 FFS beneficiaries receiving chemotherapy and OCM patients were representative of all Medicare chemotherapy patients. On average, OCM practices were larger, more likely to be affiliated with academic medical centers, and served in markets with more physicians and Medicare Advantage penetration than non-participating practices. OCM reductions in total episode payments increased starting in late 2019, primarily through improved use of high-value supportive care drugs among higher-risk cancer types. These reductions were offset by increased performance-based payments, such that net losses decreased over time but did not result in net savings. OCM improved practice-reported measures of quality, but this did not translate to improved patient-reported or claims-based measures of quality.