Oncology Care Model: What AMCs Need to Know

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Agenda

I. Overview of OCM
II. Program Unknowns and Opportunities for Input
III. Application Requirements and Timelines
IV. Opportunities and Risk
V. Next Steps
VI. Survey
Program Overview

Under the Oncology Care Model (OCM), participating practices will be paid:

1) PBPM payment of $160;
2) Performance-based payment.

<table>
<thead>
<tr>
<th>Program</th>
<th>OCM</th>
<th>MSSP</th>
<th>BPCI Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible applicant</td>
<td>PGPs, physicians, and payers</td>
<td>Acute care hospital, PGP, FQHC, etc. (must have Medicare-enrolled TIN)</td>
<td>Acute care hospital or PGP</td>
</tr>
<tr>
<td>Program duration</td>
<td>5 years</td>
<td>3 years (Ability to continue beyond initial 3 year period)</td>
<td>3 years</td>
</tr>
<tr>
<td>Episode duration</td>
<td>6 months</td>
<td>1 year</td>
<td>Index hospitalization + 30, 60, or 90 days</td>
</tr>
<tr>
<td>% Discount</td>
<td>2.75% or 4%</td>
<td>2% to 3.9%</td>
<td>2% or 3%</td>
</tr>
<tr>
<td>% savings eligible for sharing with provider</td>
<td>Up to 100% (Dependent on performance multiplier)</td>
<td>Up to 50 or 60% (Dependent on performance on quality measures)</td>
<td>100%</td>
</tr>
<tr>
<td>2-sided risk required?</td>
<td>No</td>
<td>1st agreement period: No</td>
<td>Yes</td>
</tr>
<tr>
<td>2nd agreement period: Yes</td>
<td></td>
<td>2nd agreement period: Yes</td>
<td></td>
</tr>
<tr>
<td>Prospective vs. retrospective payment</td>
<td>Retrospective (1 quarter after end of episode)</td>
<td>Retrospective (6 mon. after end of performance quarter)</td>
<td></td>
</tr>
</tbody>
</table>

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Episode Definition

Types of cancer

- OCM-FFS includes nearly all cancer types

Episode initiation

- Episodes initiate when a beneficiary starts chemotherapy
- The Innovation Center has devised a list of chemotherapy drugs that trigger OCM-FFS episodes, including endocrine therapies but excluding topical formulations of drugs

Included services

- All Medicare A and B services that Medicare FFS beneficiaries receive during episode
- Certain Part D expenditures will also be included

Episode duration

- OCM-FFS episodes extend six months after a beneficiary’s chemotherapy initiation
- Beneficiaries may initiate multiple episodes during the five-year model performance period
Benchmarks and Risk Adjustment

Benchmarking will be based on historical Medicare expenditure data:
- Based on both practice data and regional/national data as necessary to increase precision
- **Risk adjusted**, adjusted for geographic variation
- Trended to applicable performance period

Possible risk adjustment factors include:
- Beneficiary characteristics
- Episode characteristics (such as whether an episode is the first for that beneficiary)
- Disease characteristics (cancer type)
- Types of services furnished (such as provision of radiation therapy or initiation with an endocrine therapy)
Quality and the Performance Multiplier

Quality measure domains:

1) Clinical quality of care
2) Communication and care coordination
3) Person and caregiver centered experience and outcomes
4) Population health
5) Efficiency and cost reduction
6) Patient safety

Data sources:

1) Practice-reported
2) Medicare claims
3) Patient surveys

See Appendix C in the RFA
TBD…

- Baseline period
- Quality measures
- Risk adjustment factors
- Timeline for providing benchmark prices
- Waivers
- Winsorization levels

*Ability to influence.*
Timelines

• Payers: Submit a Letter of Intent (LOI) by 5pm EDT on **March 19, 2015**

• **Providers: Submit an LOI by 5pm EDT on April 23, 2015**
  - All LOIs must be emailed to OncologyCareModel@cms.hhs.gov.
  - Applicants who submit timely, complete LOIs will be sent an authenticated web link and password to complete an electronic application.

• Innovation Center will publicly post lists of payers and practices who submit LOIs

• **All applications due 5pm EDT on June 18, 2015**

• Participants notified of selection **late 2015**; OCM begins **spring 2016**
Application Review and Selection Process

4 Selection Criteria:

• Implementation Plan (≤ 15 pages - 40 points)
• Financial Plan (≤ 4 pages - 25 points)
  • Financial Plan Narrative
  • Electronic Application Form
• Participation with Other Payers (30 points)
  • Letters of Support
  • Electronic Application Form
• Diverse Populations (≤ 2 pages - 5 points)
Application: Implementation Plan Narrative

• First 2 performance years
• Plan for improving care and lowering expenditures for OCM patients
• Practice requirements
• “The likelihood that the practice’s implementation plan will achieve savings for Medicare within the practice’s OCM-FFS beneficiaries.”
Application: Financial Plan Narrative

• Financial plan for first two performance years:
  • $160 PBPM
  • Expected OCM-FFS performance-based payments
  • Expected enhanced and performance-based payments from other payers
# Opportunities and Risks for AMCs

## Opportunities
- Hospital provider-based entities (PBEs) can participate
- No requirement to adopt two-sided risk
- Opportunity to advocate for desired quality measures and risk adjustment factors
- Learning opportunity

## Challenges
- Nearly all cancer types are included – cannot select specific cancers
- Broader episode definitions
- Absence of episode and payment specifications limit ability to generate financial projections
Next Steps:

✓ Examine your market share
✓ Examine practice requirements
✓ Engage with non-Medicare payers
✓ Submit an LOI
✓ Submit feedback to the OCM inbox
✓ Begin work on the application ASAP:
  • Ability to demonstrate positive financial projections (IP and Financial Plan) = key
Questions?
For More Information

OCM Website:  
http://innovation.cms.gov/initiatives/oncology-care/

CMMI Email:  
OncologyCareModel@cms.hhs.gov

AAMC Contact:  
jwalradt@aamc.org