

CMS Innovation Center seeks input on Oncology Care Model sequel

November 8, 2019

In a late-night announcement on Friday, November 1, the Center for Medicare and Medicaid Innovation (CMMI) gave cancer providers the first look at a possible sequel to the Oncology Care Model (OCM). CMMI first released an [informal request for information \(RFI\)](#) laying out the basic outline of a new "Oncology Care First" model (OCF), followed by a public listening session to gather feedback on the ongoing OCM and the proposed OCF sequel. CMMI envisions that OCF would begin in January 2021 and run through the end of 2025. The proposed OCF model would expand on the basic framework of OCM, notably by requiring all participating practices to take on two-sided risk by year three of the model and by bundling payment for certain services into a prospective monthly payment. Comments on the RFI are due by **November 25, 2019**.

Key elements of the proposed OCF model

Like the OCM, the OCF would be a voluntary "advanced payment model" in which eligible oncology practices (both physician practices and hospital outpatient departments) could take on risk for shared savings or shared losses based on their performance against a target cost over a six-month episode of cancer care, triggered by an initial chemotherapy claim. The five-year model contemplates three possible risk tracks: a one-sided track (limited to the first two performance periods), a less aggressive two-sided track, and a more aggressive two-sided track. The RFI does not provide details on the differences between the two-sided tracks, but CMMI expects to apply a discount of 3 percent to 4 percent to set the OCF targets, which would be more aggressive than the current 2.5 percent to 2.75 percent discounts under the OCM two-sided risk tracks. Any OCM participant would be precluded from OCF's one-sided track.

OCF also would replace certain Medicare fee-for-service payments with a "monthly population payment" (MPP), paid prospectively to OCF practices based on their expected volume of patients with cancer or cancer-related diagnoses. This would amount to a capitated payment for the covered services, which would include evaluation and management (E/M) services and drug administration services, as well as the enhanced care coordination services required under OCF. According to the RFI and CMMI's comments at the listening session, CMMI is also considering whether other fee-for-service payments should be wrapped into the prospective MPP, **including imaging, lab services, and the 6 percent add-on for drug payments.**

As with OCM, CMMI envisions that OCF would apply an adjustment to the target cost to reflect a practice's use of new drug. As with OCM, a participant would earn the novel therapy adjustment only if the participant's expenditures on new drugs are higher than for practices outside OCF.

CMMI also seeks comment on whether it should apply the adjustment at the "cancer type" level rather than the "participant" level as under OCM.

Hot topics at the listening session

Kicking off the listening session, Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma reiterated the Trump administration's emphasis on providers taking on risk of shared losses and savings, explaining that OCF is intended to ensure that providers have "skin in the game." She added that CMS is working to facilitate and encourage providers' participation in such models by increasing access to health care data on a real-time basis, and offering more waivers to help providers take on risk. (The RFI does not address what waivers would be available for OCF participants.)

At the session, moderators from CMMI and more than 800 participants discussed the following topics:

- How the potential OCF model could best support participants' care transformation through practice redesign activities.
- The potential payment methodology, including the structure and design of the MPP, and whether it should include additional services beyond E/M and drug administration.
- How a downside risk arrangement might be best constructed.

Several participants in the listening session questioned the incentives for use of electronic patient-reported outcomes (ePROs), and CMMI Patient Care Models Group's Division of Ambulatory Payment Models Director Lara Strawbridge responded that the RFI was purposely "high-level" discussing ePROs because all options are "on the table." Strawbridge also highlighted that CMMI is focused on resolving "problematic attribution issues," such as how to attribute cancer-related E/M services billed by multiple physician group practice participants.

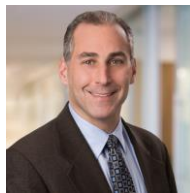
Strawbridge further spotlighted how CMMI is considering including additional services in the MPP, such as imaging or lab services, and she emphasized the importance of comments addressing this issue. CMMI is also considering dropping low-risk cancers out of the total cost-of-care responsibility, and is focused on how to define "risk," Strawbridge added.

Comments on the RFI will be accepted until **November 25, 2019**. While stakeholders urged CMS to allow more time to comment, it is not clear whether CMS will extend this deadline or offer another meaningful opportunity to comment before the model is finalized and opened for applications. If you have any questions about the proposed OCF model or if you are interested in submitting a comment on the RFI, please contact any of the authors of this alert or the Hogan Lovells lawyer with whom you regularly work.

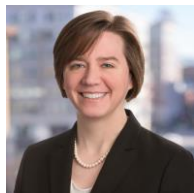
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