

Oncology Pay-Bundle Demo Helps CMS Meet Value-Based Pay Goals

The Center for Medicare and Medicaid Innovation recently announced a payment bundle demonstration for oncologists that helps the administration meet its goal of getting 30 percent of Medicare fee-for-service providers into value-based pay systems by next year. The Oncology Care Model, which is a five-year demonstration, is scheduled to start in spring 2016.

In addition to the episode-based and performance-based payments, Medicare will give oncologists monthly care-management payments for each fee-for-service beneficiary during an episode to help them with the cost of changing their practices to accommodate the new pay system. Both group practices and solo oncologists may participate, and the program is open to commercial payers, including Medicare Advantage, Medicaid plans, and other government payers such as TRICARE.

Episodes are for periods of six months, with patients entering a new six-month period if treatment must

continue past the first episode. For fee-for-service beneficiaries, Medicare will pay \$160 a month or up to \$960 per episode. Performance-based pay will be made retroactively based on a practice's target price, which would be based on actual Medicare expenditures. CMS will apply a 4 percent discount to that price and retain the savings, and participants will be eligible to retain a portion of the difference between the target price and actual expenditures. Payments will be risk-adjusted to account for the higher cost of treating more severely ill patients.

Some groups already indicated an interest in working with the Innovation Center on the proposal. Letters of intent to participate in the program are due March 19 for payers and April 23 for oncology practices.

To review the CMS press release, fact sheets and additional information go to:

innovation.cms.gov/initiatives/Oncology-Care/