Oncology Catalysts 2H22

(1) CMS Pilot Covers Fewer Cancers With Less Pay (2) NCI Director Coming (3) Cancer Moonshot Makes PPP Moves

CANCER MOONSHOT CATALYSTS LIKELY

- **Cancer Moonshot 2.0 announcements will start to flow as Congressional gridlock sets in 2H2022**. Pres. Biden aims to reduce the death rate from cancer by 50% within the next 25 years. The Cancer Moonshot initiative was developed by President Biden during his time as Vice President under the Obama administration here. According to the National Cancer Institute, the initiative is intended to "accelerate discovery in cancer, foster great collaboration, and improve the sharing of data" in hopes of working towards the ambitious goal of ending cancer. Falling under Biden's Unity Agenda, improving cancer care and treatment has become an important priority under this administration.

- **President Biden assembles an executive cancer panel**. A White House press release on July 13, 2022, announced that President Biden is planning to appoint several scientific experts (Dr. Mitchel Berger, Dr. Carol Brown, and Dr. Elizabeth Jaffee) to his new Cancer Cabinet. The goals of the cabinet include closing the cancer screening gap, understanding, and addressing the effects of environmental exposure, decreasing the impact of preventable cancers, identifying, and introducing cutting-edge research to patients and communities, and providing more support for cancer patients and their caregivers. With a Cancer Cabinet, the President wants to prioritize his administration's goal of ending cancer.

- **Public-private partnerships to commence.** The White House has been vocal in public settings about asking for outside groups & industry to bring ideas the White House can help facilitate.

NCI DIRECTOR LIKELY CONFIRMED

- **On July 22, President Biden was said to nominate Harvard cancer surgeon Monica M. Bertagnolli to serve as the next director of the National Cancer Institute**, indicating the White House plans to install a well-known cancer physician-scientist as it shores up the next phase of the Cancer Moonshot. Details are here.

- **Bertagnolli would be the 16th NCI Director and the first woman to serve in that role**. With a nearly $7 B budget, the cancer institute is the largest of the NIH's 27 institutes and centers. It's also the only the NIH institute position whose director must be named by the President. We expect Dr. Bertagnolli to receive 50 votes.

- **NCI and Oncology initiatives typically enjoy bipartisan support.** Bertagnolli is a professor of surgery at Harvard Medical School, and chief of the Brigham and Women's Hospital and Dana-Farber Cancer Institute's surgical oncology division, where she's worked for more than two decades. She's a past president of the American Society of Clinical Oncology (ASCO) and also serves on the board of the American Cancer Society and the Prevent Cancer Foundation.

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CMMI "EOM" MODEL ('23-'28) UNDERWHELMS

- **CMS quietly announced that CMMI plans to implement a successor to the Oncology Care Model (OCM) starting July 1, 2023 -2028**, which ended this past June (here). Enhancing Oncology Model (EOM) is expected to begin Summer July 2023, and last to 2028. Like its predecessor, the EOM aims to lower healthcare costs and improve the quality of cancer care.

- **New, voluntary model only covers 7 cancers, and has equity-focused goals**. Unlike its predecessor, OCM covered a broad range of cancers and included both chemotherapy and hormonal therapy.
  - The EOM is a voluntary model that aims to continue the progress made by the OCM over the last 5 years. The new model will end in June 2028, 5 years after its start date.
  - The model will cover 7 cancer types: breast cancer, lung cancer, prostate cancer, lymphoma, chronic leukemia, multiple myeloma, and small intestine/colorectal cancer. Evaluations of the OCM showed that overall, per-episode payments decreased for high-risk episodes while payments increased for low-risk episodes. High risk episodes included common cancers such as lung, colorectal and breast cancer. CMS is hoping to save more by covering fewer types.
  - Participants who are eligible to apply to include any physician group practices (PGPs) in the US that treat patients undergoing chemotherapy treatment within a 6-month episode care timeline.

- **Payments drop significantly to $70 per beneficiary per month (from $160) in original 5-year OCM model with a $30 add-on for duals.** Participating groups in the EOM will be allowed to bill for monthly payments as reimbursement for their compliance with the new model. In the OCM, participants received $160/beneficiary/month. In the successor model, participants receive $70/beneficiary/month. Payments will services including 24/7 access to clinicians, patient navigation services, social needs screenings, implementations of electronic patient recorded outcomes (ePROs) technology, and treatment with therapies approved under national clinical regulations. Dual eligible (Medicare & Medicaid) will garner an additional $30, totaling $100/dual beneficiary/month. The additional $30 will not be included in the total cost of care and responsibility.

- **Novel therapy adjustments will be individually calculated for each cancer type.** According to the EOM application guidelines, increases in benchmark prices for performance period episodes will be caused by participants and pools with high shared expenditures for newly FDA-approved oncology drugs. Adjustments will encourage participants to use new chemotherapies and prevent disincentivizing the use of newer drugs which tend to be more expensive.

- **OUR TAKE /NEXT STEPS: (1) CMS MODEL** With lower reimbursement, we expect that there will be less oncology practice interest and low application rates for the new model. PGPs that found the OCM to be a success may not be able to maintain the support services without financial support for the next year. Participants will also have an option to receive performance-based payments (PBP); however, those payments are not guaranteed as they depend on a PGPs quality of performance and episode expenditures. **(2) CANCER MOONSHOT.** The initiative will likely gain momentum 2H22, with a public-private partnership model, and no clear sense of which cancers will be prioritized, or how the initiative will be run. **(3) NCI DIRECTOR.** Nominee is good news, and Dr. Bertagnolli likely has 50 votes. Where is the NIH Director nominee, we ask? Now that we run into mid-term election politics, a Sen Rand Paul could be testy in Senate confirmation hearings, frightening potential NIH leaders form taking the post.

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BACKGROUND

CMMI OCM Pilot is a mixed bag

The new model is the only new pilot that CMMI has announced, apart from ACO Reach in Feb 2022. There is a one gap between OCM and EOM (starts July 2023, and lasts 5 years)

Medicare experienced financial losses in original Oncology Care Model (OCM) that ended June 2022, but reduced cancer treatment and medicine prices. With a total of 11 performance periods and 173 participants, the OCM was able to reduce Total Episode Payments (TEP) by $298 compared to other episodes.

However, Medicare experienced significant net losses during its most recent performance period due to higher participant active enrollment and patient-centered care requiring greater support systems, meaning that practices need more payments to continue progress. Throughout performance periods 1-5, Medicare saved a gross total of $194.3 M and lost $377.1 M.

Although Medicare experienced significant net losses, OCM reduced the prices of high cost treatment and medication. Surveys from the Community Oncology Alliance (COA), the network of independent physician oncology practices, showed that the OCM positively reshaped patient experience and allowed participating practices to better address patient needs and inequities.

NEXT STEPS: The application period in the model began on June 27, 2022, and will end on September 30, 2022. The program is set to begin July 1, 2023. The old model ended June 30, therefore a one year gap means that practices will not have the option to transition straight into another value-based care model, possibly undoing years of progress. We will be on the lookout for future CMMI EOM announcements.

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