

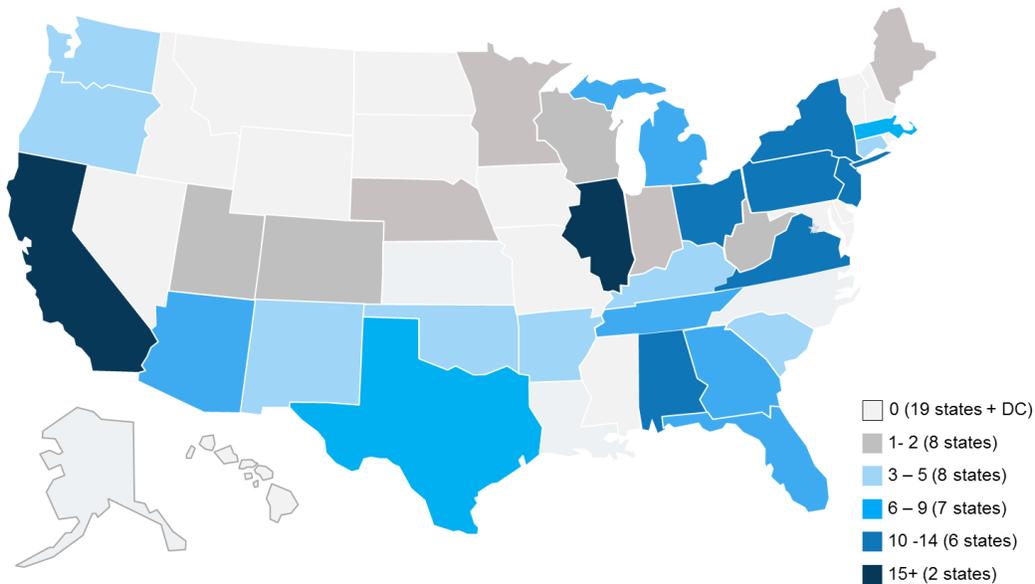
## Providers Across the US Express Interest in Moving to New Cancer Payment Model to Control Medicare Costs

Earlier today, the Centers for Medicare and Medicaid Services (CMS) released participation information for its new Oncology Care Model (OCM) slated to begin July 1. Analysis from Avalere Health indicates physician practices from 31 states will be participating in the OCM. Specifically, the Avalere analysis finds that the highest levels of provider participation will be in Alabama, California, Illinois, New Jersey, New York, Ohio, Pennsylvania, and Virginia.

“The number of physician practice participants in the Oncology Care Model is nearly double the number that was expected before today’s announcement,” said Josh Seidman, senior vice president at Avalere. “The level of participation is geographically diverse and indicates strong interest from physicians in participating in this program.”

CMS announced that 195 physician practices and 17 payer organizations were selected to participate in the new cancer care and payment model known as the OCM. The OCM is a five-year CMS demonstration that provides financial incentives to physician practices to improve care coordination and reduce the total cost of chemotherapy treatment episodes.

**Map 1. Geographical Distribution of Physician Practices Selected to Participate in the OCM**



Source: Avalere Health analysis of the list of physician practices participating in OCM, as posted by CMS on June 29, 2016.

While physician interest in the OCM appears strong, there will be no physician participation in 19 states (Map 1). The number of states not represented in the OCM is higher than anticipated based on Avalere’s review of the letters of intent (LOI) that were submitted to CMS, which showed that physician practices in all but five states were interested in participating in the program.



CMS also encouraged the participation of private payers to create broader incentives for physicians to transform their practices. Seventeen payers were selected to participate in OCM, compared to the 48 payers that demonstrated interest in participating in the program by submitting an LOI to CMS.

“The Oncology Care Model is the federal government’s first attempt at creating a physician-focused, disease-specific bundled payment model,” said Dan Mendelson, president of Avalere. “Oncology will continue to be a major focus for payment reform, but these novel approaches will need to be evaluated carefully against quality goals and to ensure patient access to care.”

Avalere experts will be available for comment on OCM.

## Methodology

Avalere analyzed the [list of physician practices](#) participating in the Oncology Care Model, as announced by CMS on June 29, 2016. We compared this to our previous analysis of the physician practices that had demonstrated interest in participating in the program by submitting letters of interest (LOI) to CMS, which CMS made a requirement for those interested in participating in the OCM.

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