CMMI Evaluation Digest March 2024

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March 2024

This newsletter highlights recently released Centers for Medicare & Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) evaluation reports and publications. You can access reports by going to the data and reports page of the Innovation Center website.

Reports highlighted in this edition:

- Part D Senior Savings Model - Second Evaluation Report
- End-Stage Renal Disease Treatment Choices (ETC) Model Second Annual Evaluation Report and Appendices
- Next Generation Accountable Care Organization Model - Final Evaluation Report

Part D Senior Savings Model - Second Evaluation Report

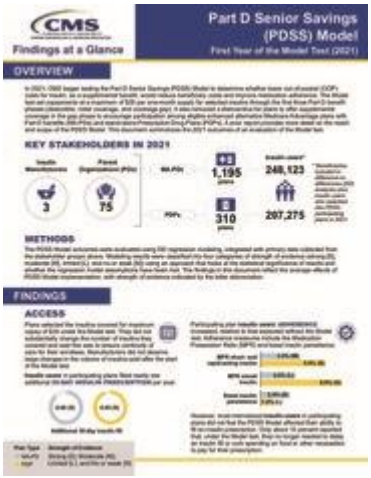
Second Evaluation Report - Key Takeaways:

In 2021, CMS began testing the Part D Senior Savings (PDSS) Model to determine whether lower out-of-pocket (OOP) costs for insulin, as a supplemental benefit, would reduce beneficiary costs and improve medication adherence. The Model test set copayments at a maximum of $35 per one-month supply for selected insulins through the first three Part D benefit phases (deductible, initial coverage, and coverage gap). It also removed a disincentive for plans to offer supplemental coverage in the gap phase to encourage participation among eligible enhanced alternative Medicare Advantage plans with Part D benefits (MA-PDs) and stand-alone Prescription Drug Plans (PDPs). A prior report provides more detail on the reach and scope of the PDSS Model. This document summarizes the 2021 outcomes of an evaluation of the Model test.

- Insulin users experienced increased access to insulins, fewer days in the catastrophic phase, and lower total OOP spending. Although they appreciated lower, more predictable insulin copays, interviewed insulin users generally did not feel the PDSS Model affected their insulin adherence.
- Total annual Part D costs among noninsulin users in PDPs rose by $34. (There was no or weak evidence of effect in MA-PDs).
- Total enrollment and enrollment of LIS-eligible beneficiaries increased in participating MA-PDs but fell in PDPs. Enrollment of insulin users grew in MA-PDs (There was no or weak evidence of effect in PDPs).
- Manufacturers' rebates to plans increased, consistent with their concerns about Model test's effect on their costs.
- There was no or weak evidence that the PDSS Model affected premiums or costs to CMS.
- The results of plan-level analyses were more robust for MA-PDs than for PDPs.

The Two Page Overview:

- Findings At-a-Glance (PDF)



The Report (includes an Executive Summary):

- Second Evaluation Report (PDF)
- Go directly to the Executive Summary (PDF)

Additional Supporting Materials:

- Appendix: Data, Measures and Methods (PDF)
- Model Page: Part D Senior Savings Model

End-Stage Renal Disease Treatment Choices (ETC) Model Second Annual Evaluation Report and Appendices

Second Evaluation Report - Key Takeaways:

The End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model is intended to encourage greater use of home dialysis, transplant waitlisting (as a proximal step towards kidney transplantation that participants may have more direct control over), and kidney transplantation among Medicare beneficiaries with ESRD, while reducing Medicare expenditures, preserving or enhancing quality of care, and addressing health equity.

ESRD facilities and managing clinicians from 31% of Hospital Referral Regions (HRRs) nationwide were selected to participate in the ETC Model from January 2021 - June 2027. The ETC Model includes both HRRs selected at random and HRRs located in Maryland. CMS applied only positive adjustments to Medicare payments to participating ESRD facilities and managing clinicians for home dialysis and related services during the first three years of the model. Starting in July 2022, CMS began to adjust payments (positive or negative) for all dialysis and related services based on patient use of home dialysis and transplantation. This document summarizes the impact observed from CY 2021 - CY 2022, the first two years of the ETC Model.

Through the first two years of the ETC Model, there was no difference in the growth in home dialysis between the ETC areas and the comparison group. Overall transplantation increased, but there was no significant increase on transplant waitlisting or living donor transplantation. There are no differences in Medicare spending, no worsening or improving of underlying disparities, and no unintended consequences. Given the challenges and the complexity of increasing home dialysis and transplant rates and the early stage of the model implementation, it is too early to form conclusions about possible longer-term impacts of the model.

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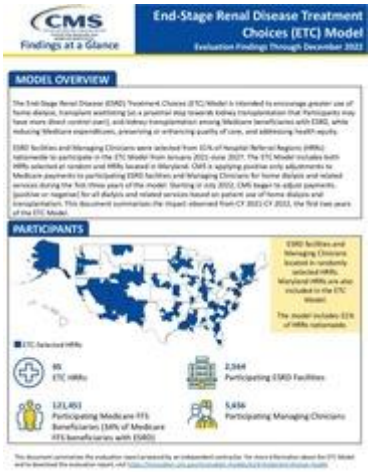
- Model Page: End-Stage Renal Disease (ESRD) Treatment Choices (ETC)



Next Generation Accountable Care Organization Model - Final Evaluation Report

Final Evaluation Report - Key Takeaways:

The NGACO Model tested whether strong financial incentives, flexible payment options, and tools to support care management improved value and lowered expenditures for aligned populations of Medicare fee-for-service (FFS) beneficiaries from 2016 to 2021. Three cohorts of NGACOs joined the model in 2016, 2017, and 2018. Participating ACOs assumed 80% or 100% two-sided financial risk and selected from among four payment mechanisms, including population-based payments (PBPs) that provided prospective payments for care delivered under FFS. This summary covers the model's results over its six performance years (PYs).

The NGACO Model reduced gross, but not net, Medicare Parts A and B spending for its aligned beneficiaries. Spending reductions grew larger in almost every year, reflecting NGACOs' improvements in infrastructure and clinical processes, exit by poorer-performing NGACOs, and the COVID-19 pandemic. Selected NGACO characteristics were associated with larger spending reductions - physician practice affiliation, election of the highest financial risk tier, or PBP mechanisms. No characteristic was necessary or sufficient for an NGACO to reduce spending. Certain combinations of selected NGACO implementation approaches and contextual characteristics were associated with reduced spending without

reductions in quality. Separate analyses also identified combinations of NGACO characteristics that were associated with failure to reduce spending.

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- Model Page: Next Generation Accountable Care Organization (NGACO) Model

The CMS Innovation Center maintains a portfolio supporting the development and testing of innovative health care payment and service delivery models. It performs evaluations of these models and makes the results available to the public.

Bringing you the latest CMS Innovation Center Evaluation Results:

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