

Bundled Payments
for Care Improvement
Advanced

BPCI
Advanced

Quality Payment PROGRAM

CONCEPTUAL OVERVIEW

JUNE 2018



Webcast Outline



- Clinical Concept
- BPCI Advanced Model Overview
 - Model Development
 - Participation Requirements
 - Strategies for Success
 - Why Should I Participate in the Model?
- CMS Innovation Center Partnership
- Summary

BPCI Advanced Tests a Different Approach to Payment



A **bundled clinical episode** links physician, hospital, and post-acute care payments to quality and cost



Participants may earn **additional payments from CMS**, but may owe money back to CMS, if costs are higher than expected

CLINICAL CONCEPT

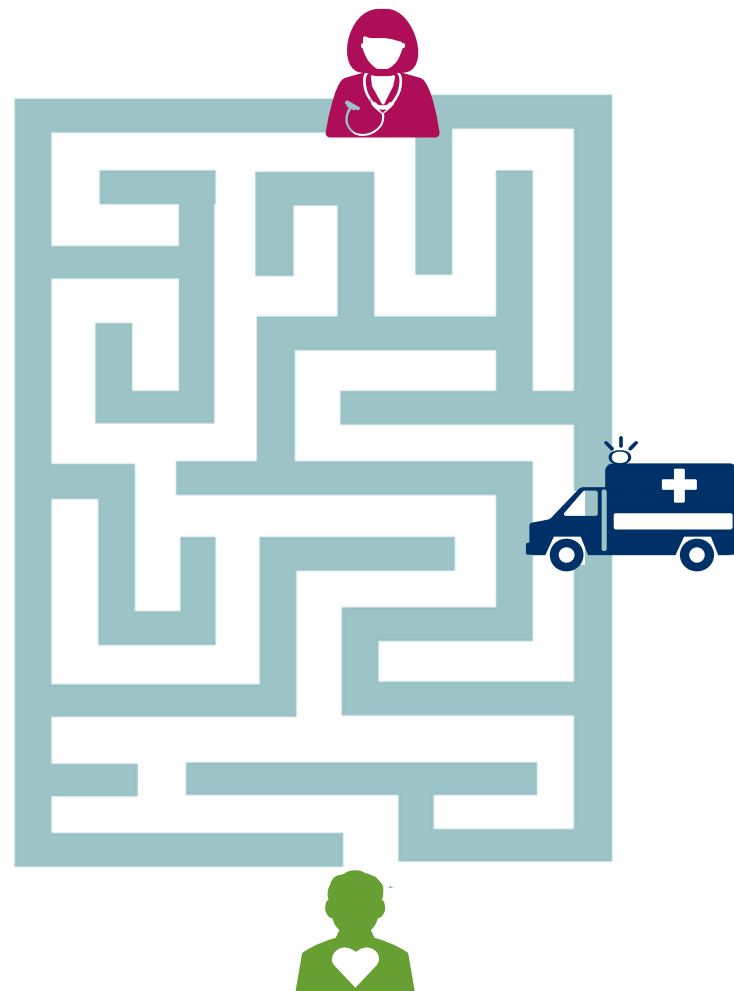
Patients Often Experience a Fragmented Healthcare System

Under FFS, healthcare can be challenging to navigate

- ✘ Providers often treat patients with incomplete information.
- ✘ Patients often receive conflicting advice.

Providers acting independently hold little accountability for cost or outcomes of care

Status Quo: Fee for Service (FFS)



FFS Experience: Summary



Hospitalist

The hospitalist didn't have access to Edna's EHR and couldn't reach her PCP. She wrote a discharge summary but did not see Edna after discharge.



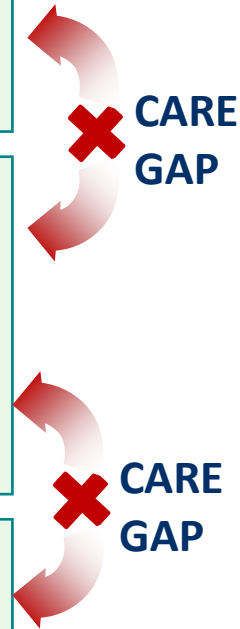
SNF Team

The SNF was focused on her physical recovery. The team had limited knowledge of heart failure, provided a regular diet, and overlooked edema.



Cardiologist

The cardiologist was unaware of Edna's admission and did not receive records before seeing her. Duplicative testing and treatment delays resulted.



Edna, Patient

Edna worked with several clinical teams that largely acted independently. She was unsure who was in charge and was confused by conflicting advice.

Bundled Clinical Episodes: A New Concept

- BPCI Advanced requires new thinking
- Participants must now coordinate the entire episode

FFS



Hospital



Hospital



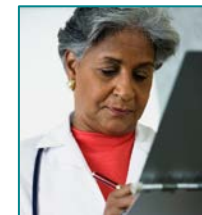
Bundled Clinical Episode



SNF



Patient's Home

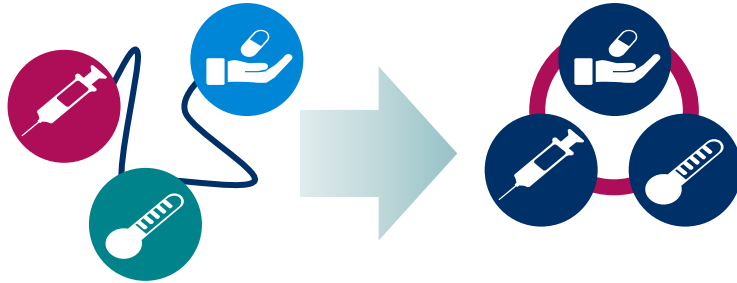


Cardiologist



PCP

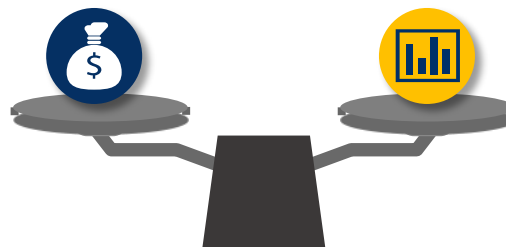
Clinical Episodes Better Reflect How Patients Experience Care



Shifts emphasis from **individual services** towards a coordinated **clinical episode**



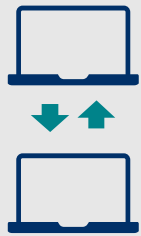
Establishes an “**accountable party**”



Clinical episodes are assessed on the **quality and cost** of care

Clinical Episode: Bundled Payment Experience

The hospitalist speaks with **Edna's PCP** as soon as she is admitted.



The hospital team **coordinates** with the SNF and Edna's outpatient providers.



Edna's cardiologist is up to speed and adjusts her medications during her visit. She **engages** Edna in the treatment plan.



BPCI ADVANCED MODEL OVERVIEW

BPCI Advanced Builds on Experience



Evidence From:

- Commercial payer models
- Centers for Medicare and Medicaid Services (CMS)
- CMS Innovation Center models



Stakeholder Input:

- Stable target prices provided in advance
- Performance assessments account for patient and provider characteristics

BPCI Advanced is Different Than BPCI



Streamlined design

- One model, 90 day episode period
- Single risk track
- Inpatient and Outpatient episodes
- Preliminary target prices provided in advance
- Payment tied to performance on quality measures



Greater focus on **physician engagement and learning**



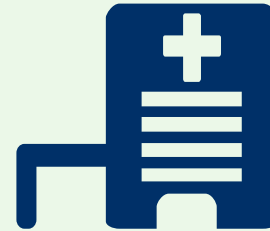
Designed as an **Advanced APM** under the Quality Payment Program

Who Leads Clinical Episodes?

Physician Group Practices (PGPs)



Acute Care Hospitals (ACHs)



Participants May Work With a Convener



A Convener is a Medicare enrolled provider or supplier or an entity that is not enrolled in Medicare.

Conveners may:

- Facilitate participation by smaller PGPs or ACHs
- Provide data and analytic feedback
- Offer logistical and operational support
- Bear financial risk to CMS under the Model

29 Inpatient (IP) Clinical Episodes, Continued



Spine, Bone, and Joint Episodes



- Back & neck except spinal fusion
- Spinal fusion (non-cervical)
- Cervical spinal fusion
- Combined anterior posterior spinal fusion
- Fractures of the femur and hip or pelvis
- Hip & femur procedures except major joint
- Lower extremity/humerus procedure except hip, foot, femur
- Major joint replacement of the lower extremity
- Major joint replacement of the upper extremity
- Double joint replacement of the lower extremity

Kidney

- Renal failure



Infectious Diseases

- Cellulitis
- Sepsis
- Urinary tract infection



Neurology

- Stroke



29 Inpatient (IP) Clinical Episodes

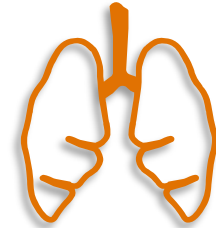
Cardiac Episodes

- Acute myocardial infarction
- Cardiac arrhythmia
- Cardiac defibrillator
- Cardiac valve
- Pacemaker
- Percutaneous coronary intervention
- Coronary artery bypass graft
- Congestive heart failure



Pulmonary Episodes

- Simple pneumonia and respiratory infections
- COPD, bronchitis, asthma



Gastrointestinal Episodes

- Major bowel procedure
- Gastrointestinal hemorrhage
- Gastrointestinal obstruction
- Disorders of the liver excluding malignancy, cirrhosis, alcoholic hepatitis (New Episode for BPCI Advanced)

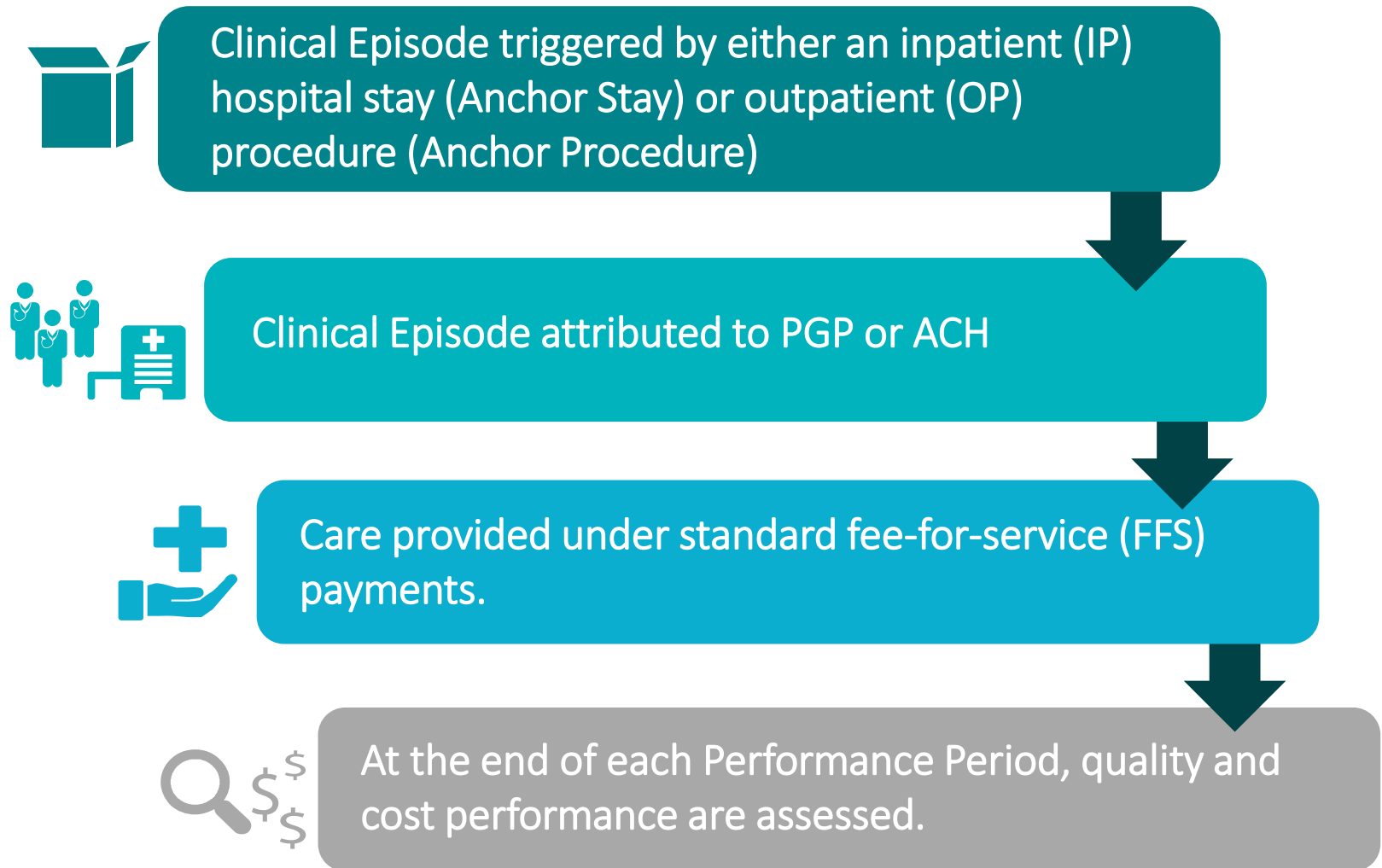


3 Outpatient (OP) Clinical Episodes

- Percutaneous Coronary Intervention (PCI)
- Cardiac Defibrillator
- Back & Neck Except Spinal Fusion



How Does BPCI Advanced Work?



Services Included in the Clinical Episode



- IP or OP hospital services that comprise the Anchor Stay or Anchor Procedure (respectively)
- Physicians' services
- Other hospital OP services
- IP hospital readmission services
- Long-term care hospital (LTCH) services
- Hospice services
- Inpatient rehabilitation facility (IRF) services
- Skilled nursing facility (SNF) services
- Home health agency (HHA) services
- Clinical laboratory services
- Durable medical equipment (DME)
- Part B drugs



Readmission Exclusions



Single list of excluded MS-DRGs apply to Clinical Episodes, which will include 132 MS-DRGs:



Transplant & Tracheostomy



Trauma



Cancer (when cancer is explicitly indicated by MS-DRG)



Ventricular Shunts



Service-level Exclusions from the Clinical Episode



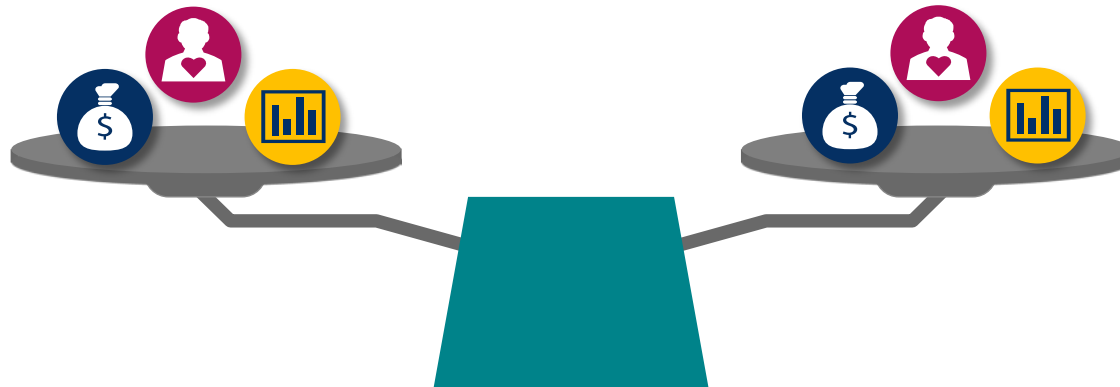
Blanket exclusions:

- Blood clotting factors to control bleeding for hemophilia patients
- New technology add-on payments under the IPPS
- Payments for items and services with pass-through payment status under the OPPS

Part B services:

- Excluded only if incurred during a excluded ACH admission or readmissions
- BPCI Advanced will not follow the clinically related criteria guiding Part B exclusions used in BPCI

Acute Care Hospital (ACH) Benchmark Price



The **Hospital's Benchmark Price** accounts for three central factors:



Patient case-mix



Patterns of spending relative to the ACHs peer group



Historic Medicare FFS expenditures efficiency in resource use specific to the ACHs Baseline Period

PGP Benchmark Prices



- Physicians may have distinctive practice profiles, informed by:
 - Care philosophy
 - Training / experience
 - Context
- Limited feedback on how quality and cost profiles compare to peers
- PGP benchmark prices are anchored on the ACH where episodes occur, but are adjusted for each PGP's historical experience
 - Allows more physicians to participate
 - Establishes a pathway for practice refinement over time

Quality Measures



Will include claims-based measures through 2020



Additional measures with varying reporting mechanisms may be added in the future



CMS INNOVATION CENTER PARTNERSHIP

The CMS Innovation Center Partners with Participants



- **Providers**

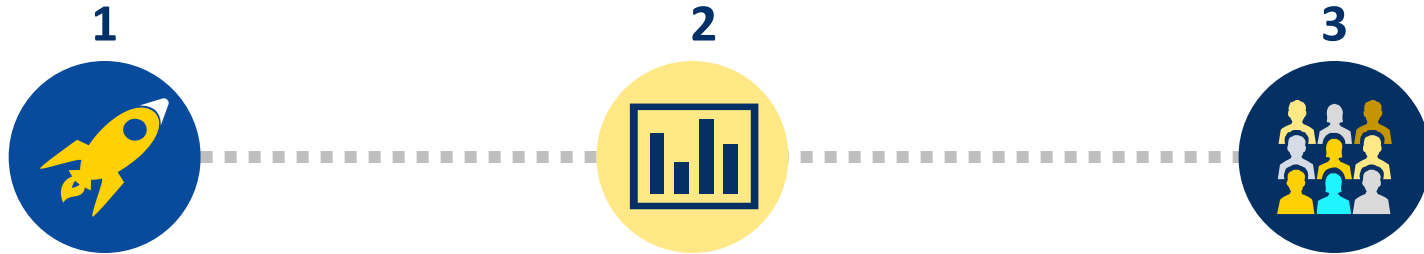
- Care for patients on the front line
- Engage in continuous quality improvement

- **CMS Innovation Center**

- Provides greater transparency on cost and quality of services provided
- Establishes payment mechanisms that support improved care processes
- Rewards providers that deliver greater value



CMS Innovation Center Learning Systems Have Three Broad Functions



1
Identify and package **new knowledge and best practices**

2
Leverage data and **participant input** to guide change and improvement

3
Build **learning communities** and networks to disseminate successful strategies

Strategies for Success



Patient
Education



Data and
Dashboards



Care
Navigation



Multidisciplinary
Steering Committees



Changing or
Standardizing
Care Protocols



Post-Acute Care
Preferred Provider
Networks

Why Should You Participate?

- If successful, the model will result in **streamlined, coordinated care episodes**
 - Improve the patient experience
 - Improve outcomes
 - Decrease costs
- The model affords **new flexibilities** in care delivery
- As pressure on fee for service reimbursements continues, **the world is shifting towards alternative payment models**
- **Advanced APM** under the Quality Payment Program

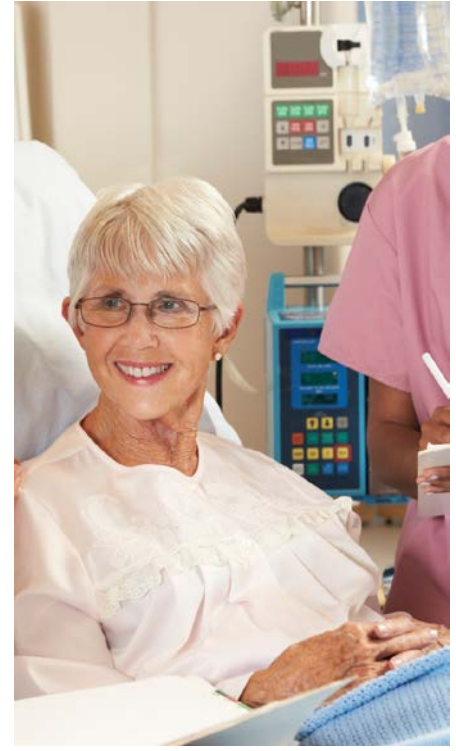
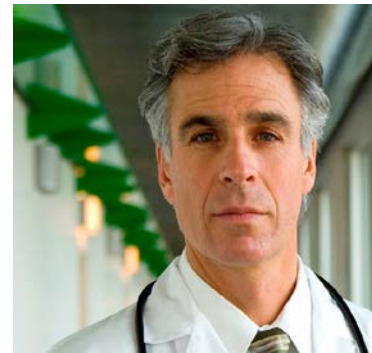


Summary



- **BPCI Advanced is a new voluntary Advanced APM**
 - Builds on prior experience
 - Responsive to stakeholders
- **Establishes responsibility for clinical episodes**
 - Aims to catalyze health system transformation
 - Successful participants (quality, cost) may receive additional payments
- **Will be an Advanced APM in the Quality Payment Program**

Questions?



Key Differences: BPCI vs. BPCI Advanced



BPCI	BPCI Advanced
48 Inpatient (IP) clinical episodes	29 IP and 3 OP clinical episodes
Not an Advanced APM since lacking CEHRT requirement and quality not tied to payment	Model is an Advanced APM
No quality measures required for payment purposes	Quality measures are reportable and performance on these measures will be tied to payment
Excludes cost of care associated with services according to 13 unique exclusion listings of “unrelated” care	Limited exclusions; Excludes the Part A & B costs associated with ACH readmissions qualifying based on a limited set of MS-DRGs
Model 3 includes PAC providers triggering episodes in the post-discharge period	No equivalent for Model 3; design is similar to Model 2 with PGPs and ACHs as EIs; PAC Providers, and other Medicare-enrolled, as well as non-Medicare-enrolled entities can participate as Convener Participants
Risk corridor of 20% of spending above the upper limit of the selected risk track	One risk track Risk is capped at +/-20%
Target Prices provided at reconciliation	Preliminary Target Price provided prospectively, before the start of each Model Year

BPCI Advanced Essential Features



1. Encourage both high and low cost providers to participate
2. Reward Participants' improvement over time
3. Adjust for patient case mix that is outside of providers' control
4. Allow for trends in Clinical Episode spending by hospital peers
5. Promote Medicare savings while maintaining high quality care



