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HEALTHCARE SOLUTIONS

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POSSIBILITY

CMS 1ST MANDATORY BUNDLED PAYMENT PROGRAM

CCJR

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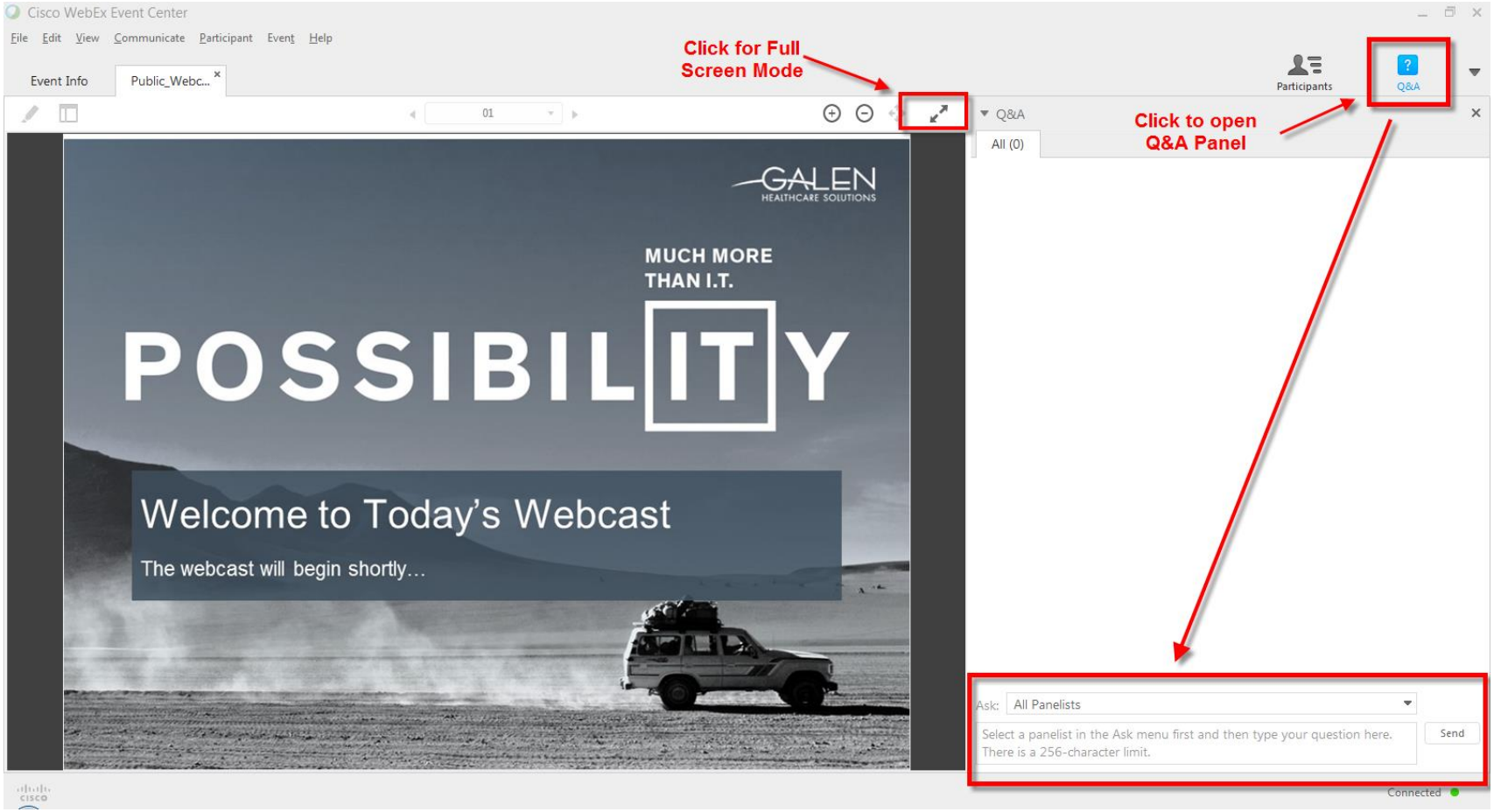


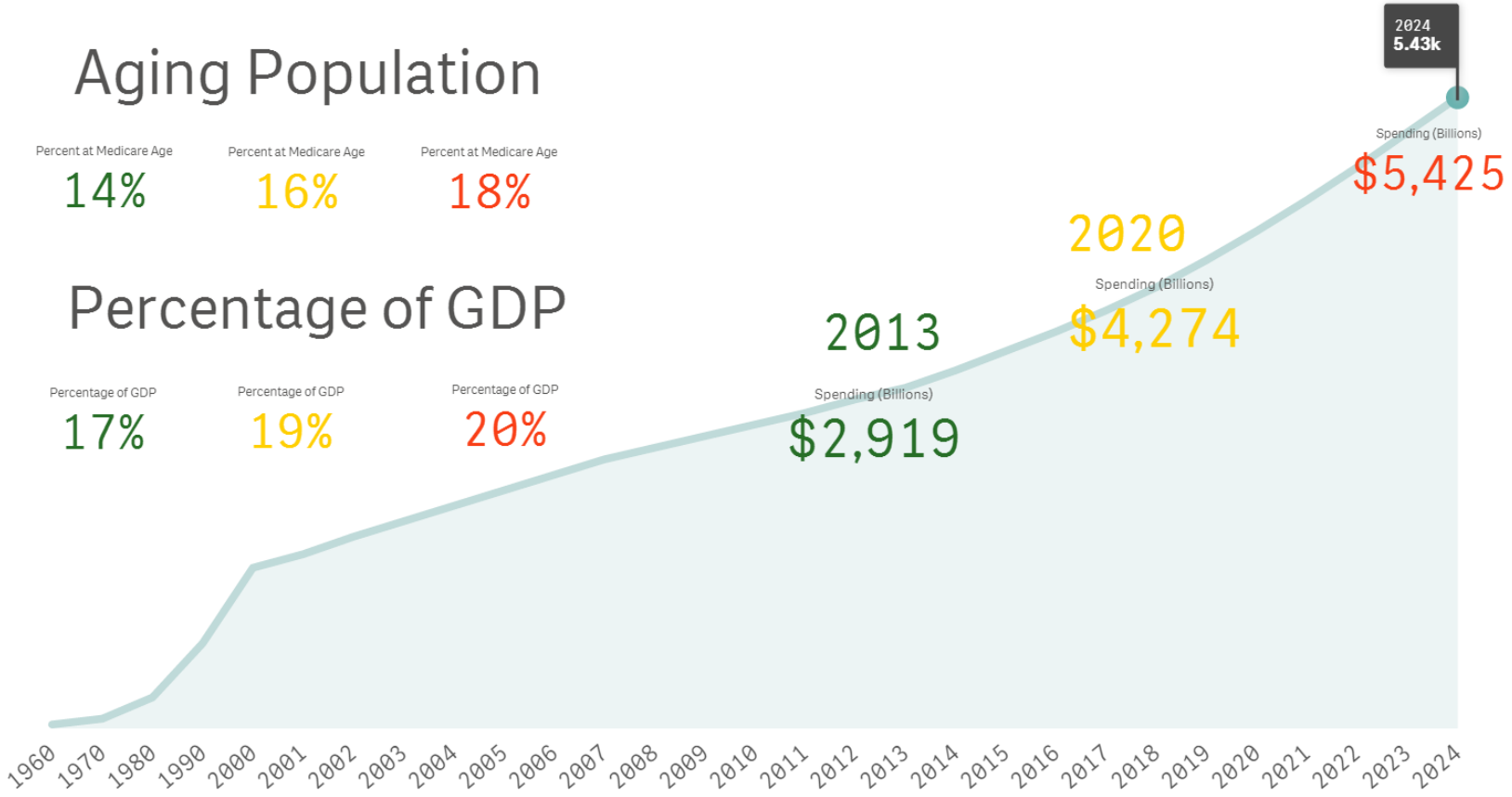
Presented by:

- **Taylor Mawyer, Sr. Technical Consultant**
- **Karla Koertner, Lead Consultant**

Agenda

- **Why the shift from fee for service to bundled payments?**
- **Comprehensive Care for Joint Replacement (CCJR)**
  - Who is impacted
  - Program details
- **Achieving success in bundled payment programs**
  - Preparation
  - Partnerships
  - Technology
- **PinpointCare Demo**

National Healthcare Expenditures and Aging Population



Source: CMS, Office of the Actuary

Medicare FFS payments tied to

QUALITY & **VALUE**

via

Alternative Payment Models

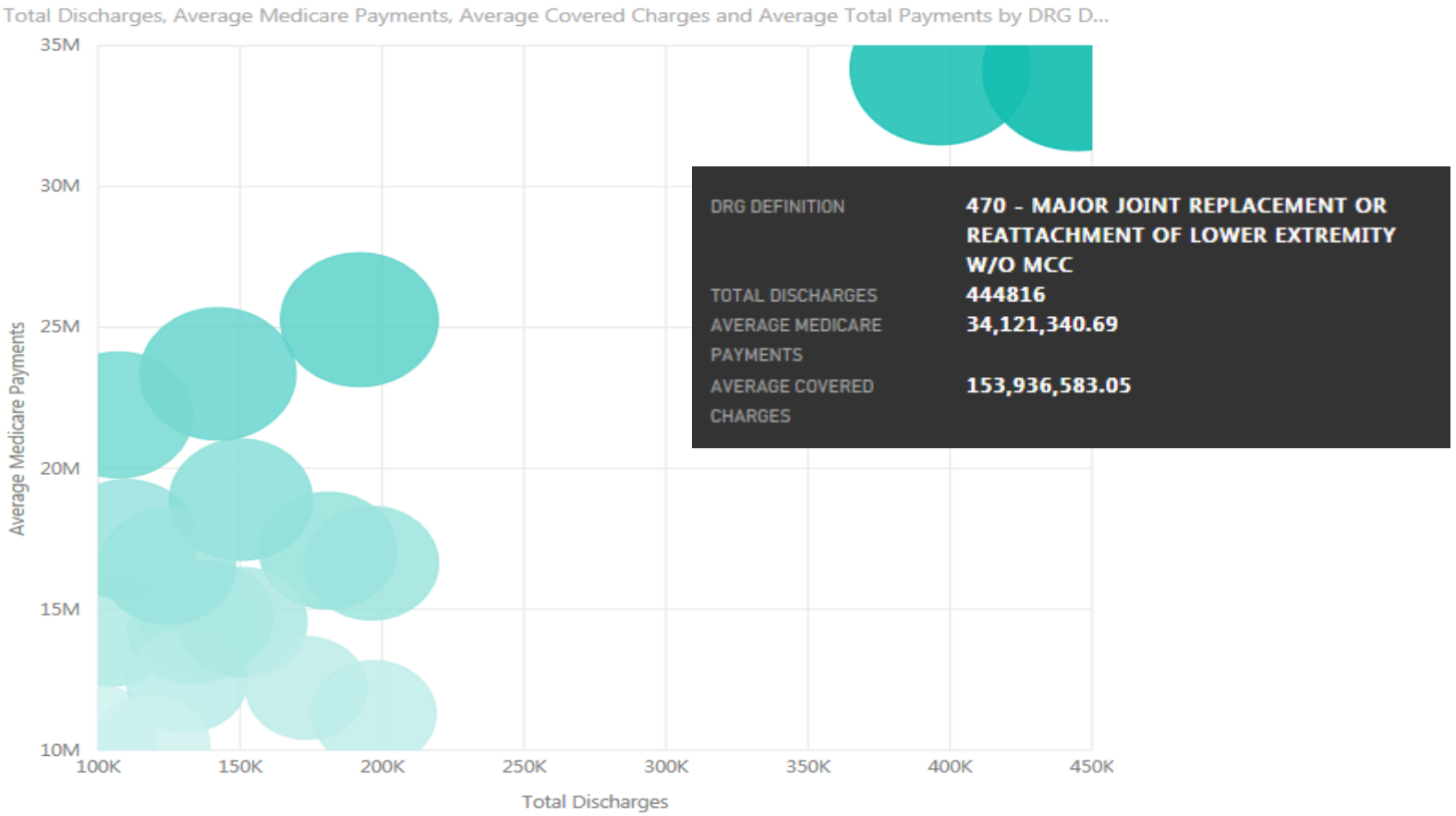
30% by the end of 2016

50% by the end of 2018

Why Focus on Lower Extremity Joint Replacement?

- High Expenditure
- High Volume
- High Variance among Regions

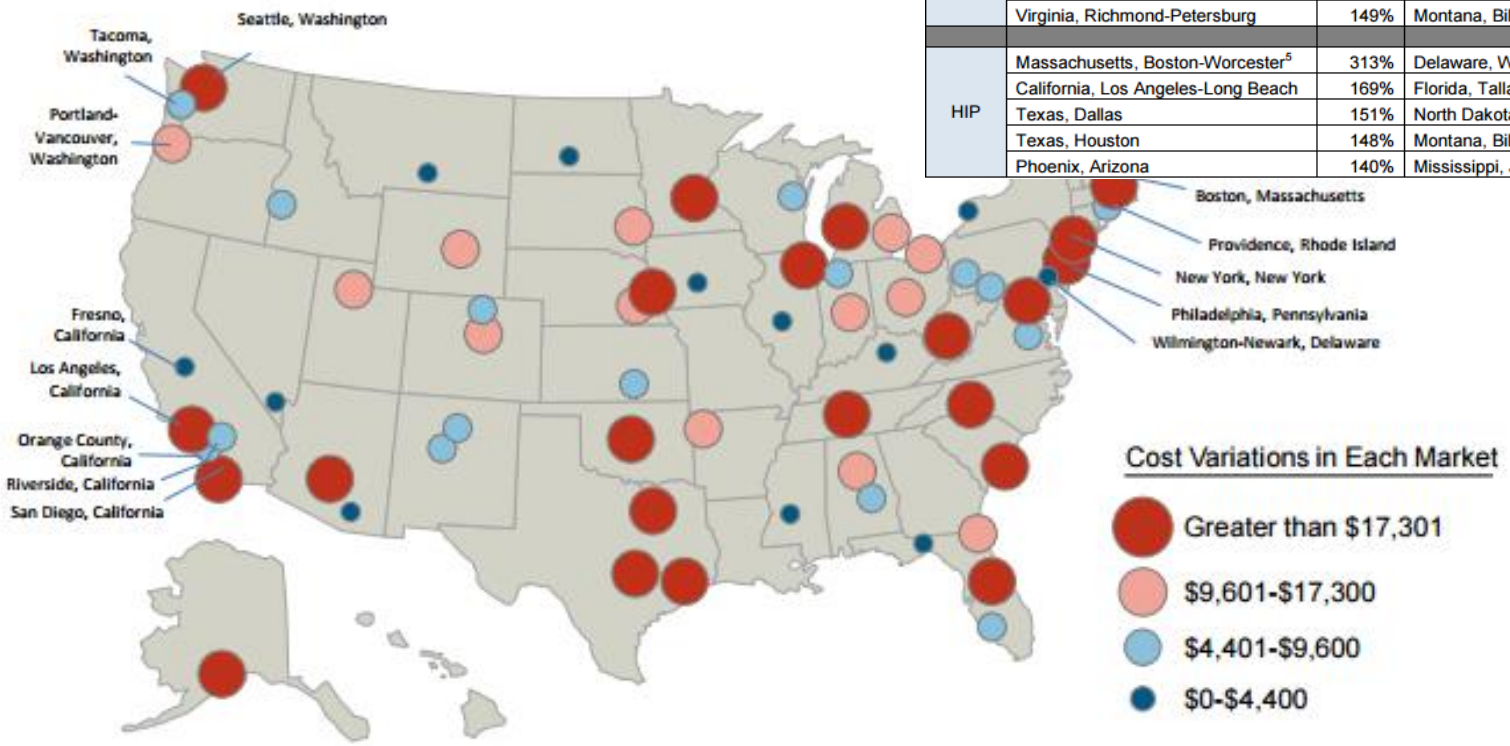
MS-DRG 470: Most Common Inpatient Procedure



Source: Top 100 DRG Summary for Medicare Inpatient Prospective Payment Hospitals, FY2013. Accessed October 2015.

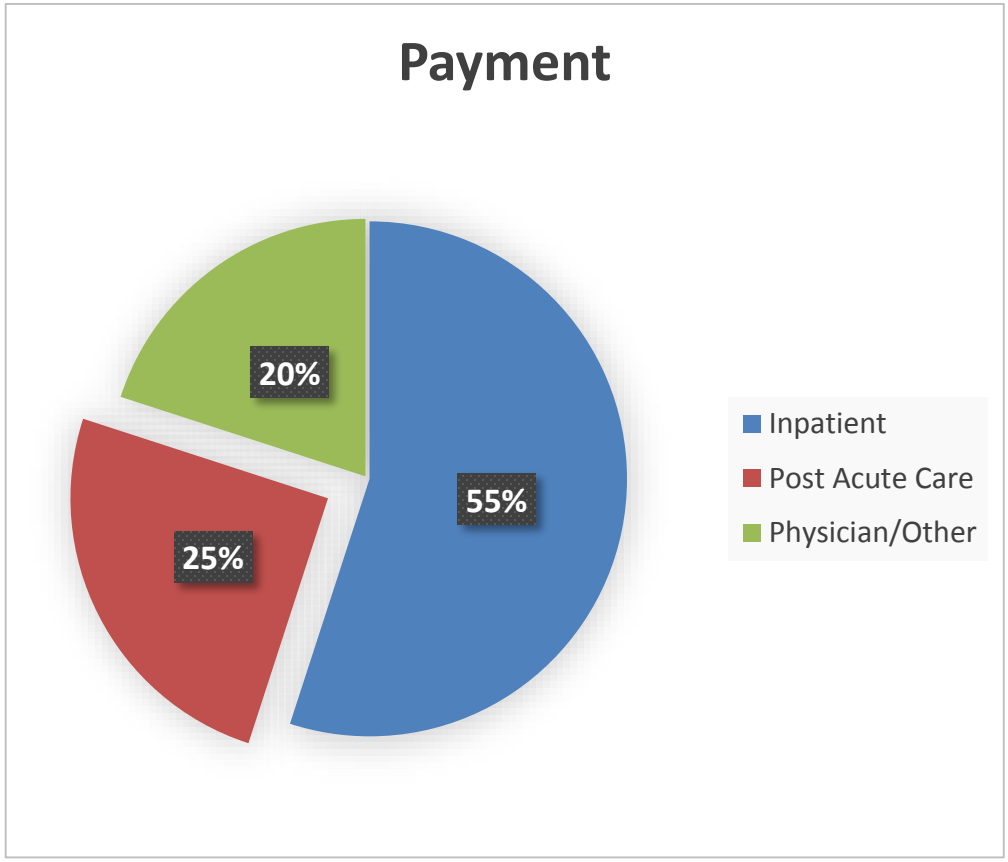
High Variation of Costs/Payments

	Highest Variance Cost Markets		Lowest Variance Cost Markets	
KNEE	Texas, Dallas	267%	Colorado, Fort Collins-Loveland	0.3%
	Massachusetts, Boston-Worcester[5]	185%	California, Fresno	0.7%
	Washington, Seattle-Bellevue-Everett	173%	Florida, Tallahassee	6.4%
	Pennsylvania, Philadelphia	163%	North Dakota, Bismarck	7.7%
	Virginia, Richmond-Petersburg	149%	Montana, Billings	8.1%
HIP	Massachusetts, Boston-Worcester[5]	313%	Delaware, Wilmington-Newark	1.7%
	California, Los Angeles-Long Beach	169%	Florida, Tallahassee	2.1%
	Texas, Dallas	151%	North Dakota, Bismarck	2.5%
	Texas, Houston	148%	Montana, Billings	3.5%
	Phoenix, Arizona	140%	Mississippi, Jackson	4.9%



Source: Analysis of Blue Health Intelligence® (BHI®) data

High Percentage of Post Acute Care



Source: Federal Register: Medicare Program; Comprehensive Care for Joint Replacement Payment Model for Acute Care Hospitals Furnishing Lower Extremity Joint Replacement Services. Accessed October 2015.

Comprehensive Care for Joint Replacement

(CCJR)

- 1st mandatory bundled payment program
- Begins January 1, 2016
- 5 year program
- Expected $150M savings

Program details

Who has to participate?

- Acute care hospitals in any of 75 Metropolitan Statistical Areas (MSAs)
- Not currently participating in BPCI (Bundled Payment for Care Improvement)
  - Model 1 or
  - Phase II of Models 2 or 4

Program Details

- **MS-DRGs 469 & 470**
  - Hip or knee replacement
- **90 day episode**
- **Phased-in stop-loss**
  - Year 1: no responsibility
  - Year 2: capped at 10% of target price
  - Years 3-5: capped at 20% of target price

Program Details – quality reporting

- **Positive reconciliation payments tied to quality reporting**
  - Hospital level risk standardization complication rate (RSCR)
  - Hospital level 30 day, all cause risk standardization readmission rate (RSRR)
  - Hospital consumer assessment of healthcare providers and systems (HCAHPS) survey
- **Thresholds for performance increase over the lifetime of the model to incentivize continuous improvement**

Program Details - payments

- **Payments based on current fee-for-service model**
  - reconciliation against target prices annually
  - CMS takes 2% off the top
- **Additional incentive to submit data on a patient-reported functional outcome measure beginning year 1**
  - 1.7% off the top
- **Reconciliation payments capped at 20% of target prices**

Program Details

- **Gainsharing is allowed**
  - Hospitals must retain 50% of downside risk
  - Can't share more than 25% of repayment responsibility with any one provider or supplier

Success in bundled payment programs boils down to three things:

- Preparation
- Partnerships
- Technology

Preparation

- Analyze current post-acute spending & compare to national benchmarks
- Standardize protocols
- Evaluate staffing
- Assess organizational technological capabilities

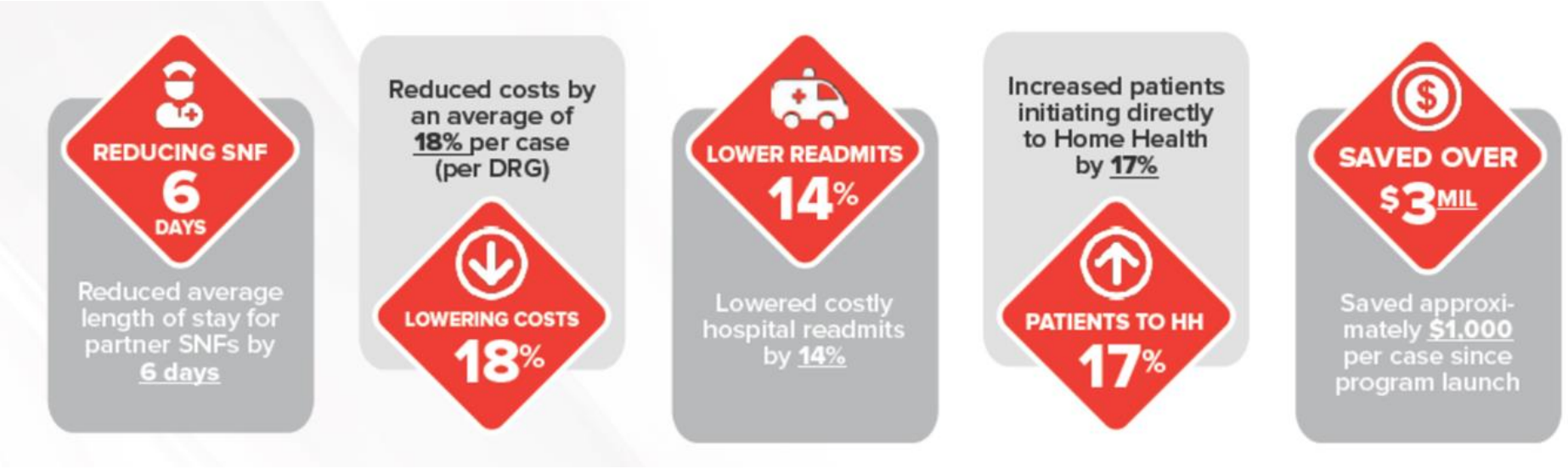
Partnerships

- **Align with the right partners**
  - Deliver on high standards of care
  - Able to provide metrics on quality, costs, and patient satisfaction
  - Communicate effectively to prevent complications or react quickly when they arise.

Technology

- **Critical to track patients through continuum of care**
  - Analyze risk
  - Customize care plans
  - Alerts for patients falling off-plan
  - Communicate with partners no matter what EHR they use
  - Engage patients
  - Reporting

PinpointCare: One care coordination solution successfully managing patients in bundled payment programs



Pinpoint Care Demo

Reporting – Physician Metrics

Episode Initation	
Percent of Episode Initiation Site	Column Labels
Row Labels	SNF Used
Dr. Andrews	71%
Dr. Frank	75%
Dr. Hill	100%
Dr. Mintz	52%
Dr. Shah	53%
Grand Total	60%

Readmissions by Surgeon	
Row Labels	Sum of Readmission Total
ABC Hospital	12
Dr. Andrews	10
Dr. Hill	1
Dr. Mintz	1
Hospital X	3
Dr. Mintz	3
Ortho Hospital	10
Dr. Hill	1
Dr. Shah	9
XYZ Hospital	0
Dr. Frank	0
Grand Total	25

Reporting – PAC Metrics

SNF Facility Average LOS	
Actual SNF Provider	**Average of SNF LOS**
Out Of Network	13
SNF Michigan	16
Dream SNF	13
SNF Indiana	11
Happy SNF	23
SNF 123	21
ABC SNF	10
Jan's SNF	14
Sam's SNF	12
XYZ SNF	18
Tim's SNF	10
SNF Chicago	7
Grand Total	**13**

Average Visits HH/PT		
Row Labels	**Average of HH Visits**	**Average of PT Visits**
Hip	**8**	**10**
May	7	13
June	8	9
July	8	9
August	8	8
September	12	14
Hip (Emergency)	**8**	**12**
April	0	18
June	7	9
July	10	13
August	8	12
Knee	**5**	**7**
May	3	2
June	4	6
July	4	8
August	4	5
September	5	10
October	18	13
Grand Total	**7**	**9**

Galen's PinpointCare Services

- Exclusive Software Reseller
- Interface Configuration (ADT & SIU)
- Project Management
- Payment Model Implementation
- Workflow Design & Training

To learn more about PinpointCare or to schedule a more in-depth demo, please contact us at sales@galenhealthcare.com

To view the CCJR proposal: https://www.federalregister.gov/

For more information: https://innovation.cms.gov/initiatives/cjr

Thank you for joining us today.

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http://wiki.galenhealthcare.com/Category:Webcasts

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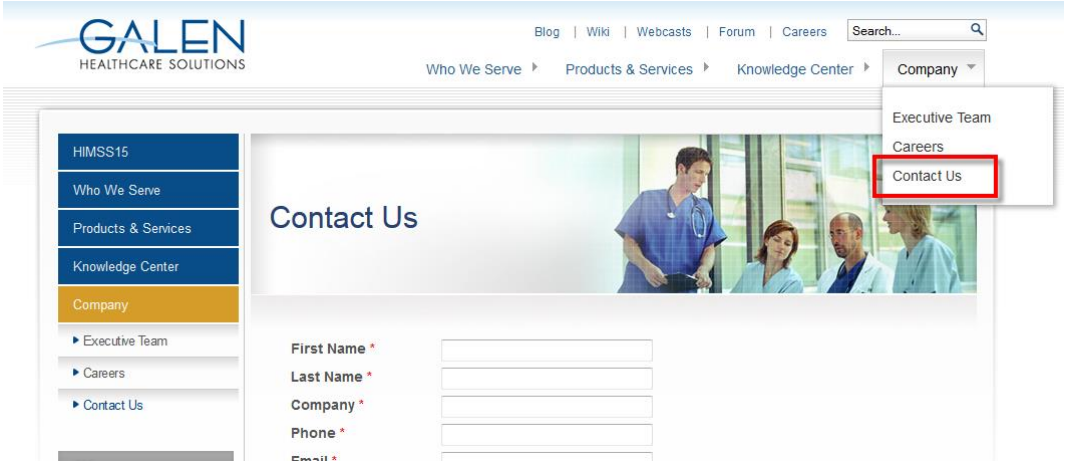

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