Dear Colleague:

Please join us on our letter to the Center for Medicare & Medicaid Innovation (CMMI) work collaboratively with physician groups to resolve issues with the Bundled Payment Care Initiative Advanced (BCPI Advanced) reimbursement methodology.

CMMI tests innovative health care payment and service delivery models in an effort to reduce program expenditures while enhancing the quality of patient care. This is a very important function as we move away from fee-for-service towards value-based care in Medicare. The original Bundled Payment Care Initiative (BPCI) model very successfully achieved those objectives with physician group practice participants throughout the country. Instead of pricing individual services in the pre-operative, peri-operative and post-operative stages, it “bundles” the services into a total cost that the patient’s physician is responsible for managing. Having the physician responsible for the overall cost and quality of the patient’s episode of care creates the potential for greater efficiencies and coordinated, improved patient care. The original BPCI was an innovative model that reduced cost and improved the quality of patient care. Unfortunately BPCI Advanced, introduced on October 1, 2018, has a significantly different reimbursement structure which may place an unfair burden on many physician groups. A number of physician groups are now considering dropping out of BPCI Advanced due to a reimbursement limitation, which will mean millions lost in Medicare savings, handicap an otherwise successful program, and deny many Medicare beneficiaries access to an improved care pathway.

The attached letter respectfully requests that CMMI work collaboratively with PGPs and their respective trade associations to resolve issues with the BPCI Advanced reimbursement methodology. It also requests CMMI to delay the voluntary drop date so that physician groups may have the necessary time needed to collect and review adequate claims data to determine if they should continue to participate in the program.

Deadline to sign on is Tuesday, February 26th. Please contact Charlotte Pineda with Congressman Roger Marshall, Andrew Gradison with Congressman Jason Smith, Tanner Warbinton with Congressman Billy Long, or Courtney Veatch with Congressman Neal Dunn to co-sign the letter.

Sincerely,

ROGER MARSHALL, M.D. JASON SMITH

Member of Congress Member of Congress

BILLY LONG NEAL P. DUNN, M.D.

Member of Congress Member of Congress

February XX, 2019

The Honorable Seema Verma, MPH

Administrator

Centers for Medicare & Medicaid Services

Department of Health and Human Services

200 Independence Avenue, SW, Room 445-G

Washington, DC 20201

Dear Administrator Verma:

We write to thank you for your efforts on providing voluntary incentives that improve care coordination at the Centers for Medicare and Medicaid Innovation (CMMI) and we applaud your commitment on furthering the Bundled Payments for Care Improvement Initiative. However, we express caution in abandoning a successful reimbursement structure as it may have a negative impact on certain provider participation.

Since it was established in 2013, provider participation in the Bundled Payment for Care Improvement (BPCI) model has increased exponentially. This growth is a clear indicator that the original BPCI model successfully persuaded providers to bear financial risk. The reward not only benefitted providers, but it improved patient quality of care. [[1]](#footnote-1), [[2]](#footnote-2), [[3]](#footnote-3)  The original model entitled individual physicians, who reduced the cost for an episode of care, to an additional payment of up to 50 percent of their normal Medicare fee, and the physician’s practice could receive additional savings they achieved to offset direct and indirect costs related to participation in BPCI. In particular, the reimbursement methodology provided the financial incentive for the physician group practices (PGPs) to take on risk and incur costs it otherwise could not have afforded.

The original BPCI model sunset in September 2018, making way for BPCI Advanced, a new voluntary episode-based payment model for 32 clinical episodes, running from October 1, 2018 through December 31, 2023. Unfortunately, the BPCI Advanced model contains a reimbursement structure that may place an unfair and substantial burden on participating PGPs and would-be prospects. It was announced very late in the roll-out of BPCI Advanced, that PGPs that participate in the new program under a convener will be prohibited from retaining the excess savings. This limitation is a strong disincentive for PGPs to participate in alternative payment models such as BPCI Advanced, considering the substantial investments in staff, IT for analytics, and other costs the groups face to successfully participate. As a result of these changes, we have received reports from a number of PGPs that are, regrettably, considering dropping out of BPCI Advanced as the new reimbursement structure fails to provide a clear pathway for groups to offset the additional investments required to participate in the model.

Advancements in voluntary bundled payment programs should encourage growth, produce savings, and improve patient health. We respectfully request that CMMI work collaboratively with PGPs and their respective trade associations to resolve issues with the BPCI Advanced reimbursement methodology. In addition, we request CMMI delay the voluntary drop date of March 1, 2019 so that PGP’s may have the necessary time needed to collect and review adequate claims data to determine if they should continue to participate in the program. We understand CMMI is considering an alternative to the prohibition of additional savings flowing to PGPs. We would appreciate your confirmation of such and the timeframe for an announcement of any changes to the program.

We appreciate your consideration of this matter and look forward to hearing back from you.

Sincerely,

1. Dundon, JM, Bosco, J, Slover, J, Yu, S, Sayeed, Y and Iorio, R, 2016, Improvement in total joint replacement quality metrics: year one versus year three of the bundled payments for care improvement initiative, *JBJS*, 98(23), pp.1949-1953. [↑](#footnote-ref-1)
2. Edwards, PK, Mears, SC and Barnes, CL, 2017, BPCI: everyone wins, including the patient, *The Journal of arthroplasty*, 32(6), pp.1728-1731. [↑](#footnote-ref-2)
3. Lewin Group, CMS Bundled Payments for Care Improvement (BPCI) Initiative Models 2-4: Year 1 Evaluation & Monitoring Annual Report, February 2015, available at: <https://innovation.cms.gov/Files/reports/BPCI-EvalRpt1.pdf>. [↑](#footnote-ref-3)