

Next Steps in Medicare Value-Based Care

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Overview

AT LEAST 3 MAJOR MODELS IMPACTING TOTAL JOINT ARTHROPLASTY

BPCI-A

- Cohort 2 commenced 2020

2023

CJR

- Commenced 2016
- Current proposed revisions
- Comments due April 24

2023

Longitudinal Bundles

- Under development
- Timing TBD
- Incentives for non-surgical treatment

Value-Based Care in the Context of APMs

MEDICARE INCENTIVES TO MOVE OUT OF FFS

- Advanced Alternative Payment Models (APMs) – CMS-operated payment models that provide clinicians with the opportunity to earn a 5% incentive payment, and an exemption from MIPS
- An Advanced APM must meet the following 3 criteria:
 - Require participants to use certified electronic health record technology (“CEHRT”)
 - Provide payment based on quality measures comparable to those used in MIPS
 - Require participating APM Entities to bear more than a nominal amount of financial risk for monetary losses
- 2020 Official Advanced APM List:
 - CJR
 - ACO Tracks 1+, 2, and 3
 - BPCI Advanced
 - Primary Care Plus
 - Next Generation ACO Model
 - Oncology Care Model (with 2-sided risk)
 - Comprehensive ESRD

Private Plan APMs Can Count Toward 5% Bonus

OTHER PAYER APMs

- The All-Payer Combination Option became available in 2019
- Eligible clinicians may become Qualifying APM Participants (QPs) who are eligible for the 5% bonus payment through participation in **both** Medicare Advanced APMs and Other Payer Advanced APMs
- Other Payer Advanced APMs may include:
 - Medicaid Plans
 - Medicare Health Plans (i.e., Medicare Advantage)
 - CMS Multi-Payer Models
 - Other Commercial Payers

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BPCI-A

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CMS MODEL WITH MOST FLEXIBILITY IS SHOWING WEAKNESS

- Voluntary 5-year program with 2 start dates: Oct. 1, 2018; Jan. 1, 2020
- 33 inpatient bundles and 4 outpatient bundles; OP TKA beginning in 2020
- Episode initiators can be hospitals or PGPs
- Target pricing based on 4-year historical baseline
 - 3% CMS discount to baseline; additional PGP offset to baseline to reflect relative efficiency to hospital
 - Risk adjusted target prices
- Opportunity to exit the program 12/31/2020
- Significant exodus from program over benchmarks

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CJR

CJR

BACKGROUND

- Mandatory program commencing April 1, 2016
 - Initially mandatory for all hospitals in 67 MSAs; now mandatory only in 34 MSAs
- Hospitals only as episode initiators
- As of February 1, 2018 approximately 465 hospitals are participating
- Target pricing based on 3-year historical baseline of regional spending
 - 3% CMS discount to baseline
 - Initial risk adjustment is difference between DRG 469 and 470

Proposed Revisions to Begin in 2021

TOP LEVEL SUMMARY

- 3-year extension through Dec. 31, 2023
- Outpatient THA and TKA would be added to episode of care definition
- Gainsharing cap eliminated
- Target price to be calculated based on the one most recent year of claims data in one of 4 categories
 - Outpatient TKA and outpatient THA without fracture: *MS-DRG 470 without hip fracture*
 - Outpatient THA episodes with hip fractures: *MS-DRG 470 with hip fracture*
 - *MS-DRG 469 with hip fracture*
 - *MS-DRG 469 without hip fracture*
- Risk adjustment for each target price using 2 patient-level risk factors
 - CMS-HCC model – Hierarchical Condition Category count
 - Age bracket
- CMS seeks comments on how to design TJA bundled payment model for ASCs

Overtime, CMS has Responded to Feedback

CMS IS VERY SLOW TO IMPLEMENT SUGGESTED CHANGES TO CJR

AAHKS Requests

- Allow CJR to qualify as an APM
- Exclude hip fractures from bundle
- Add risk adjustment
- Allow fast track to regional pricing
- Remove gainsharing limits
- Voluntary participation
- Maintain 95% outlier threshold
- Allow physicians to initiate episode

CMS Revisions

- Revised CJR to become APM (2018)
- Risk stratify for hip fractures (2017)
- Risk adjust based on HCC codes (2021)
- Made participation voluntary for some (2018)
- Remove gainsharing limits (2021)
- Participation is voluntary for some (2018)
- Outlier threshold increased to 99% (2021)
- Hospitals only as initiators

CMS Accepting Comments on Proposed Rule

COMMENT LETTER DUE APRIL 24

- Comment letter topics?

1. ?

2. ?

3. ?

4. ?

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Longitudinal Bundles

Longitudinal Bundles

TO BE DEVELOPED BY CMS

- AAHKS invited by CMMI to provide input into disease specific longitudinal bundles under conceptual development
- Advantage to provide input during CMS development as opposed to being surprised by eventual proposal
- Timeline?