

NCHA Financial Feature



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CMS Announces Participants in New Value-Based Bundled Payment Model

The Centers for Medicare & Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) is announcing a new voluntary episode payment model, Bundled Payments for Care Improvement Advanced (BPCI Advanced or the Model) that will test a new iteration of bundled payments for 32 Clinical Episodes and aim to align incentives among participating health care providers for reducing expenditures and improving quality of care for Medicare beneficiaries. BPCI Advanced will qualify as an Advanced Alternative Payment Model (APM) under the Quality Payment Program.

The first group of participants will start participation in the Model on Oct. 1, 2018, and the Model Period Performance will run through Dec. 31, 2023. **An Excel spreadsheet containing the names of the participants can be found at:**

<https://innovation.cms.gov/Files/worksheets/bpci-advanced-participants.xlsx>

CMS will provide a second application opportunity in January 2020.

Background

CMS says that one of its most important goals is fostering an affordable, accessible healthcare system that puts patients first. A bundled payment methodology involves combining the payments for physician, hospital, and other health care provider services into a single bundled payment amount. This amount is calculated based on the expected costs of all items and services furnished to a beneficiary during an episode of care. Further, CMS says that a bundled payment also creates an incentive for providers and suppliers to coordinate and deliver care more efficiently because a single bundled payment will often cover services furnished by various health care providers in multiple care delivery settings.

Model Overview

BPCI-Advanced is defined by following characteristics:

- Voluntary Model
- A single retrospective bundled payment and one risk track, with a 90-day Clinical Episode duration
- 29 Inpatient Clinical Episodes
- 3 Outpatient Clinical Episodes
- Qualifies as an Advanced APM
- Payment is tied to performance on quality measures
- Preliminary Target Prices provided in advance of the first Performance Period of each Model Year

“BPCI Advanced aims to encourage clinicians to redesign care delivery by adopting best practices, reducing variation from standards of care, and providing a clinically appropriate level of services for patients throughout a Clinical Episode.”

For purposes of the BPCI Advanced, a Participant is defined as an entity that enters into a Participation Agreement with CMS to participate in the Model. BPCI Advanced will require downside financial risk of all Participants from the outset of the Model Performance Period.

Comment

Requiring participants to accept downside risk has been a major objective of CMS. Providers would need to accept such risk if they want to participate.

Can participate as a Non-Convener Participant:

- Acute Care Hospitals (ACHs)
- Physician Group Practices (PGPs)

Can participate as a Convener Participant:

- Eligible entities that are Medicare-enrolled providers or suppliers
- Eligible entities that are not enrolled in Medicare
- Acute Care Hospitals (ACHs)
- Physician Group Practices (PGPs)

A Convener Participant is a type of Participant that brings together multiple downstream entities, referred to as “Episode Initiators (EIs).” A Convener Participant facilitates coordination among its EIs and bears and apportions financial risk under the Model.

A Non-Convener Participant is a Participant that is in itself an EI and does not bear risk on behalf of multiple downstream Episode Initiators.

Clinical Episodes

BPCI Advanced will initially include 29 inpatient Clinical Episodes and 3 outpatient Clinical Episodes. Based on rapid-cycle feedback and experience to date in the initiative, CMS says it may elect to revise the Clinical Episodes in BPCI Advanced on an annual basis beginning January 1, 2020, which will apply to both new Participants and existing Participants. Participants selected to participate in BPCI Advanced beginning on October 1, 2018, must commit to be held accountable for one or more Clinical Episodes and may not add or drop such Clinical Episodes until January 1, 2020.

The **29 Inpatient Clinical Episodes** are listed below:

- Disorders of the liver excluding malignancy, cirrhosis, alcoholic hepatitis *
*(New episode added to BPCI Advanced)
- Acute myocardial infarction
- Back & neck except spinal fusion
- Cardiac arrhythmia
- Cardiac defibrillator

- Cardiac valve
- Cellulitis
- Cervical spinal fusion
- COPD, bronchitis, asthma
- Combined anterior posterior spinal fusion
- Congestive heart failure
- Coronary artery bypass graft
- Double joint replacement of the lower extremity
- Fractures of the femur and hip or pelvis
- Gastrointestinal hemorrhage
- Gastrointestinal obstruction
- Hip & femur procedures except major joint
- Lower extremity/humerus procedure except hip, foot, femur
- Major bowel procedure
- Major joint replacement of the lower extremity
- Major joint replacement of the upper extremity
- Pacemaker
- Percutaneous coronary intervention
- Renal failure
- Sepsis
- Simple pneumonia and respiratory infections
- Spinal fusion (non-cervical)
- Stroke
- Urinary tract infection

The **3 Outpatient Clinical Episodes** are as follows;

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

In BPCI Advanced, Clinical Episodes will be attributed at the EI level. The hierarchy for attribution of a Clinical Episode among different types of EI is as follows, in descending order of precedence: (1) the PGP that submits a claim that includes the National Provider Identifier (NPI) for the attending physician; (2) the PGP that submits a claim that includes the NPI of the operating physician; and (3) the ACH where the services that triggered the Clinical Episode were furnished. BPCI Advanced will not use time-based precedence rules.

A BPCI Advanced Clinical Episode is structured to begin either at the start of an inpatient admission to an ACH (the Anchor Stay) or at the start of an outpatient procedure (the Anchor Procedure). Inpatient admissions that qualify as an Anchor Stay will be identified by MS-DRGs, while outpatient procedures that qualify as an Anchor Procedure will be identified by HCPCS codes. The Clinical Episode will end 90 days after the end of the Anchor Stay or the Anchor Procedure.

Reconciliation will be a semi-annual process where CMS will compare the aggregate Medicare FFS expenditures for all items and services included in a Clinical Episode against the Target Price for that Clinical Episode to determine whether the Participant is eligible to receive a payment from CMS or is required to pay a Repayment Amount to CMS.

Quality Measures

CMS has selected seven quality measures for the BPCI Advanced Model. Two of them, All-cause Hospital Readmission Measure and Advance Care Plan, will be required for all Clinical Episodes. The other five quality measures will only apply to select Clinical Episodes.

- All-cause Hospital Readmission Measure (NQF #1789)
- Advanced Care Plan (NQF #0326)
- Perioperative Care: Selection of Prophylactic Antibiotic: First or Second Generation Cephalosporin (NQF #0268)
- Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) (NQF #1550)
- Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Coronary Artery Bypass Graft Surgery (NQF #2558)
- Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction (NQF #2881)
- AHRQ Patient Safety Indicators (PSI 90)

How to Apply

The Request for Applications (RFA) for BPCI Advanced was released on January 9, 2018 and it outlines the different elements of the Model in detail and explains how the applications will be reviewed.

An application template and all the additional required documents are available below:

- Application template (PDF): <https://innovation.cms.gov/Files/x/bpciadvanced-application.pdf>
- Data Request and Attestation (DRA) Form (PDF): <https://innovation.cms.gov/Files/worksheets/bpciadvanced-dataattestation.pdf>
- Participating Organizations List (XLS): <https://innovation.cms.gov/Files/worksheets/bpci-advanced-participatingorgsattachment.xlsx>
- PGP Practitioners List (XLS): <https://innovation.cms.gov/Files/worksheets/bpci-advanced-pgplistattachment.xlsx>

The application period for eligible entities closed on March 12, 2018. No further applications are being accepted at this time. CMS will provide a second application opportunity in January 2020.

Our Washington liaison, Larry Goldberg of Larry Goldberg Consulting, has provided us with this summary and comments. For questions, please contact Jeff Weegar, NCHA, at 919-677-4231, jweegar@ncha.org or Ronnie Cook, NCHA, at 919-4225, rcook@ncha.org.