

Issue Brief

FEDERAL ISSUE BRIEF • January 10, 2018

CMS Announces New Voluntary Bundling Per Episode Payment Model

The Centers for Medicare & Medicaid Services Center for Medicare and Medicaid Innovation announced a new voluntary episode payment model, Bundled Payments for Care Improvement Advanced, that will test a new iteration of bundled payments for 32 Clinical Episodes. BPCI Advanced will qualify as an Advanced Alternative Payment Model under the Quality Payment Program.

CMS expects the first group of participants to start Oct. 1, and the Model Period Performance will run through Dec. 31, 2023. CMS will provide a second application opportunity in January 2020.

CMS notes that the bundled payment methodology involves combining the payments for physicians, hospitals 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. Health care providers receiving a bundled payment may either realize a gain or loss, based on how successfully they manage resources and total costs throughout each episode of care.

CMS says BPCI Advanced is defined by the following characteristics.

- voluntary model
- a single retrospective bundled payment and one risk track, with a 90-day Clinical Episode duration
- twenty-nine Inpatient Clinical Episodes
- three 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 will operate under a total-cost-of-care concept, in which the total Medicare fee for services spending on all items and services furnished to a BPCI Advanced Beneficiary during the Clinical Episode, including outlier payments, will be part of the Clinical Episode expenditures for purposes of the target price and reconciliation calculations, unless specifically excluded.

PARTICIPANTS

For purposes of BPCI Advanced, a participant is defined as an entity that enters into a participation agreement

4712 Country Club Drive
Jefferson City, MO 65109

P.O. Box 60
Jefferson City, MO 65102

573/893-3700
www.mhanet.com



continued

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.

CAN PARTICIPATE AS A NON-CONVENER PARTICIPANT:

- acute care hospitals
- physician group practices

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
- physician group practices

A convener participant is a type of participant that brings together multiple downstream entities, referred to as “Episode Initiators.” 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.

MODEL TIMELINE

CMS provided the following model [timeline](#).

- Jan. 9, 2018: Requests for applications released
- Jan. 11, 2018: Application portal opens
- March 12, 2018: Application portal closes
- March – June, 2018: CMS screens applicants

- May 2018: CMS distributes target prices to applicants
- June 2018: CMS offers Participant Agreements to applicants
- August 2018: Signed Participant Agreements due to CMS
- August 2018: Clinical Episode selections and program deliverables due to CMS
- Oct. 1, 2018: Model goes live
- March 31, 2019: First date for QP determination
- Jan. 1, 2020: Next application period

Comment

This is a rapid timeframe. Considering past CMS time performance, it becomes speculative if CMS will be able to achieve its schedule.

CLINICAL EPISODES

Participants selected to participate in BPCI Advanced beginning Oct. 1, 2018, must commit to being accountable for one or more Clinical Episodes and may not add or drop such Clinical Episodes until Jan. 1, 2020.

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 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 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 Following Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty (NQF #1550)

- Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate 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 24-page Request for Applications for BPCI Advanced was released Jan. 9, 2018, and it outlines the different elements of the model in detail and explains how the applications will be reviewed. The [RFA is available \(PDF\)](#).

An application template and all additional required documents are available at the following sites.

- [Application template \(PDF\)](#)
- [Attachment 1 – Data Request and Attestation \(DRA\) Form \(PDF\)](#)
- [Attachment 2 – Participating Organizations List \(XLS\)](#)
- [Attachment 3 – PGP Practitioners List \(XLS\)](#)

The actual application and all required documents must be submitted via the [BPCI Advanced Application Portal](#). The Portal will open **Jan. 11, 2018**, and close at **11:59 p.m. EST March 12, 2018**. Questions regarding the BPCI Advanced Model can be directed to BPCIAAdvanced@cms.hhs.gov.

*Analysis provided for MHA
by Larry Goldberg,
Goldberg Consulting*

