

Issue Brief

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CMS Proposes Changes to CJR Model, and Cancellation of the Mandatory EPMS and CR Incentive Payment Model

The Centers for Medicare and Medicaid Services has issued a proposed rule that would cancel the episode payment models and the cardiac rehabilitation incentive payment model.

Additionally, the proposed rule would prospectively make participation voluntary for all hospitals in approximately half of the geographic areas selected for participation in the comprehensive care for joint replacement model that is, in 33 of the 67 metropolitan statistical areas selected; and for low-volume and rural hospitals in all of the geographic areas selected for participation in the CJR model. Further, CMS is also proposing several technical refinements and clarifications for certain CJR model payment, reconciliation, and quality provisions, and a change to the criteria for the Affiliated Practitioner List to broaden the CJR advanced alternative payment model track to additional eligible clinicians.

The proposal is scheduled for publication in the August 17th *Federal Register*. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-17446.pdf>. The

published version should be at: <https://www.federalregister.gov/d/2017-17446>. A 60-day comment period ending October 16 is provided.

COMMENT

CMS estimates that the total CJR model impact after the changes in this proposed rule will save the Medicare program \$204 million, instead of \$294 million, over the remaining 3-year performance period (2018 through 2020) of the CJR model.

PROPOSED CANCELLATION OF EPMS AND CARDIAC REHABILITATION INCENTIVE PAYMENT MODEL

In the January 3 EPM final rule, CMS established three bundled payment models for acute myocardial infarction, coronary artery bypass graft, and surgical hip/femur fracture treatment episodes, and a cardiac rehabilitation incentive payment model. CMS says that “based on our acknowledgment of the many concerns about the design of these models articulated by stakeholders, we are proposing to cancel the EPMS and CR incentive payment model before they begin. Accordingly, we propose to rescind 42 CFR Part 512 in its entirety.”

4712 Country Club Drive
Jefferson City, MO 65109

P.O. Box 60
Jefferson City, MO 65102

573/893-3700
www.mhanet.com



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PROPOSED CHANGES TO THE CJR MODEL PARTICIPATION REQUIREMENTS

The CJR model began on April 1, 2016. The CJR model is currently in its second performance year.

Currently, with limited exceptions, hospitals located in the 67 geographic areas selected for participation in the CJR model must participate in the model through December 31, 2020; that is, their participation in the CJR model is mandatory unless the hospital is an episode initiator for a lower extremity joint replacement episode in the risk-bearing period of Models 2 or 4 of the Bundled Payments for Care Improvement initiative.

CMS is proposing that the CJR model would continue on a mandatory basis in approximately half of the selected geographic areas (that is, 34 of the 67 selected geographic areas), with an exception for low-volume and rural hospitals, and continue on a voluntary basis in the other areas (that is, 33 of the 67 selected geographic areas) effective February 1, 2018.

CMS is proposing to define a low-volume hospital as a hospital identified by CMS as having fewer than 20 LEJR episodes in total across the 3 historical years of data used to calculate the performance year 1 CJR episode target prices.

Specifically, CMS is proposing that hospitals in the proposed 34 mandatory participation MSAs that are neither low-volume or rural hospitals during the proposed voluntary participation election period would be required to participate in the CJR model for performance years 3, 4, and 5, and that these hospitals would continue to be required to participate in the CJR model even if they subsequently become a rural hospital.

CJR Mandatory Participation MSAs		
MSA	MSA Name	Wage-adjusted Episode Payments (in \$)
10420	Akron, OH	28,081
11700	Asheville, NC	27,617
12420	Austin-Round Rock, TX	28,960
13140	Beaumont-Port Arthur, TX	32,544
17140	Cincinnati, OH-KY-IN	28,074
18580	Corpus Christi, TX	30,700
20020	Dothan, AL	30,710
22500	Florence, SC	27,901
23540	Gainesville, FL	29,370
24780	Greenville, NC	27,446
25420	Harrisburg-Carlisle, PA	28,360
26300	Hot Springs, AR	29,621
28660	Killeen-Temple, TX	27,355
31080	Los Angeles-Long Beach-Anaheim, CA	28,219
31180	Lubbock, TX	29,524
32820	Memphis, TN-MS-AR	28,916
33100	Miami-Fort Lauderdale-West Palm Beach, FL	33,072

CJR Mandatory Participation MSAs		
MSA	MSA Name	Wage-adjusted Episode Payments (in \$)
33740	Monroe, LA	30,431
33860	Montgomery, AL	30,817
35300	New Haven-Milford, CT	27,529
35380	New Orleans-Metairie, LA	29,562
35620	New York-Newark-Jersey City, NY-NJ-PA	31,076
36420	Oklahoma City, OK	27,267
36740	Orlando-Kissimmee-Sanford, FL	29,259
37860	Pensacola-Ferry Pass-Brent, FL	29,485
38300	Pittsburgh, PA	30,886
38940	Port St. Lucie, FL	30,423
39340	Provo-Orem, UT	28,852
39740	Reading, PA	28,679
42680	Sebastian-Vero Beach, FL	28,015
45300	Tampa-St. Petersburg-Clearwater, FL	32,424
45780	Toledo, OH	28,658
46220	Tuscaloosa, AL	31,789
46340	Tyler, TX	30,955

CJR Voluntary Participation MSAs		
MSA	MSA Name	Wage-adjusted Episode Payments (in \$)
10740	Albuquerque, NM	25,892
12020	Athens-Clarke County, GA	25,394
13900	Bismarck, ND	22,479
14500	Boulder, CO	24,115
15380	Buffalo-Cheektowaga-Niagara Falls, NY	26,037
16020	Cape Girardeau, MO-IL	24,564
16180	Carson City, NV	26,128
16740	Charlotte-Concord-Gastonia, NC-SC	26,736
17860	Columbia, MO	25,558
19500	Decatur, IL	24,846
19740	Denver-Aurora-Lakewood, CO	26,119
20500	Durham-Chapel Hill, NC	25,151
22420	Flint, MI	24,807
23580	Gainesville, GA	23,009
26900	Indianapolis-Carmel-Anderson, IN	25,841
28140	Kansas City, MO-KS	27,261
30700	Lincoln, NE	27,173
31540	Madison, WI	24,442
33340	Milwaukee-Waukesha-West Allis, WI	25,698
33700	Modesto, CA	24,819
34940	Naples-Immokalee-Marco Island, FL	27,120
34980	Nashville-Davidson--Murfreesboro--Franklin, TN	26,880
35980	Norwich-New London, CT	25,780
36260	Ogden-Clearfield, UT	25,472
38900	Portland-Vancouver-Hillsboro, OR-WA	22,604



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CJR Voluntary Participation MSAs		
MSA	MSA Name	Wage-adjusted Episode Payments (in \$)
40980	Saginaw, MI	25,488
41180	St. Louis, MO-IL	26,425
41860	San Francisco-Oakland-Hayward, CA	23,716
42660	Seattle-Tacoma-Bellevue, WA	23,669
43780	South Bend-Mishawaka, IN-MI	23,143
44420	Staunton-Waynesboro, VA	25,539
45820	Topeka, KS	24,273
48620	Wichita, KS	25,945

Low-Volume Hospitals Located in the Mandatory MSAs Eligible to Opt-in During Voluntary Election Period			
CCN	Hospital Name	MSA	MSA TITLE
010034	Community Hospital, Inc.	33860	Montgomery, AL
010062	Wiregrass Medical Center	20020	Dothan, AL
010095	Hale County Hospital	46220	Tuscaloosa, AL
010097	Elmore Community Hospital	33860	Montgomery, AL
010108	Prattville Baptist Hospital	33860	Montgomery, AL
010109	Pickens County Medical Center	46220	Tuscaloosa, AL
010149	Baptist Medical Center East	33860	Montgomery, AL
040132	Leo N. Levi National Arthritis Hospital	26300	Hot Springs, AR
050040	LAC-Olive View-UCLA Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050091	Community Hospital of Huntington Park	31080	Los Angeles-Long Beach-Anaheim, CA
050137	Kaiser Foundation Hospital-Panorama City	31080	Los Angeles-Long Beach-Anaheim, CA
050138	Kaiser Foundation Hospital-Los Angeles	31080	Los Angeles-Long Beach-Anaheim, CA
050139	Kaiser Foundation Hospital-Downey	31080	Los Angeles-Long Beach-Anaheim, CA
050158	Encino Hospital Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050205	Glendora Community Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
050373	LAC+USC Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050378	Pacifica Hospital of the Valley	31080	Los Angeles-Long Beach-Anaheim, CA
050411	Kaiser Foundation Hospital-South Bay	31080	Los Angeles-Long Beach-Anaheim, CA
050468	Memorial Hospital of Gardena	31080	Los Angeles-Long Beach-Anaheim, CA
050543	College Hospital Costa Mesa	31080	Los Angeles-Long Beach-Anaheim, CA
050548	Fairview Developmental Center	31080	Los Angeles-Long Beach-Anaheim, CA
050552	Motion Picture & Television Hospital	31080	Los Angeles-Long Beach-Anaheim, CA



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**Low-Volume Hospitals Located in the Mandatory MSAs Eligible to Opt-in
During Voluntary Election Period**

CCN	Hospital Name	MSA	MSA TITLE
050561	Kaiser Foundation Hospital-West Los Angeles	31080	Los Angeles-Long Beach-Anaheim, CA
050609	Kaiser Foundation Hospital-Orange County-Anaheim	31080	Los Angeles-Long Beach-Anaheim, CA
050641	East Los Angeles Doctors Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
050677	Kaiser Foundation Hospital-Woodland Hills	31080	Los Angeles-Long Beach-Anaheim, CA
050723	Kaiser Foundation Hospital-Baldwin Park	31080	Los Angeles-Long Beach-Anaheim, CA
050738	Greater El Monte Community Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
050744	Anaheim Global Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050747	South Coast Global Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050751	Miracle Mile Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050771	Coast Plaza Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
050776	College Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050779	Martin Luther King Jr. Community Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
050780	Foothill Medical Center	31080	Los Angeles-Long Beach-Anaheim, CA
050782	Casa Colina Hospital	31080	Los Angeles-Long Beach-Anaheim, CA
070038	Connecticut Hospice Inc.	35300	New Haven-Milford, CT
070039	Masonic Home and Hospital	35300	New Haven-Milford, CT
100048	Jay Hospital	37860	Pensacola-Ferry Pass-Brent, FL
100130	Lakeside Medical Center	33100	Miami-Fort Lauderdale-West Palm Beach, FL
100240	Anne Bates Leach Eye Hospital	33100	Miami-Fort Lauderdale-West Palm Beach, FL
100277	Douglas Gardens Hospital	33100	Miami-Fort Lauderdale-West Palm Beach, FL
100320	Poinciana Medical Center	36740	Orlando-Kissimmee-Sanford, FL
100326	Promise Hospital of Miami	33100	Miami-Fort Lauderdale-West Palm Beach, FL
190005	University Medical Center New Orleans	35380	New Orleans-Metairie, LA
190011	University Health Conway	33740	Monroe, LA

**Low-Volume Hospitals Located in the Mandatory MSAs Eligible to Opt-in
During Voluntary Election Period**

CCN	Hospital Name	MSA	MSA TITLE
190079	St. Charles Parish Hospital	35380	New Orleans-Metairie, LA
190245	Monroe Surgical Hospital	33740	Monroe, LA
190300	St. Charles Surgical Hospital LLC	35380	New Orleans-Metairie, LA
190302	Omega Hospital LLC	35380	New Orleans-Metairie, LA
190308	St. Bernard Parish Hospital	35380	New Orleans-Metairie, LA
190313	New Orleans East Hospital	35380	New Orleans-Metairie, LA
250012	Alliance Healthcare System	32820	Memphis, TN-MS-AR
250126	North Oak Regional Medical Center	32820	Memphis, TN-MS-AR
250167	Methodist Olive Branch Hospital	32820	Memphis, TN-MS-AR
310058	Bergen Regional Medical Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330080	Lincoln Medical & Mental Health Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330086	Montefiore Mount Vernon Hospital	35620	New York-Newark-Jersey City, NY-NJ-PA
330100	New York Eye and Ear Infirmary	35620	New York-Newark-Jersey City, NY-NJ-PA
330199	Metropolitan Hospital Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330231	Queens Hospital Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330233	Brookdale Hospital Medical Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330240	Harlem Hospital Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330385	North Central Bronx Hospital	35620	New York-Newark-Jersey City, NY-NJ-PA
330396	Woodhull Medical and Mental Health Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330397	Interfaith Medical Center	35620	New York-Newark-Jersey City, NY-NJ-PA
330399	St. Barnabas Hospital	35620	New York-Newark-Jersey City, NY-NJ-PA

Low-Volume Hospitals Located in the Mandatory MSAs Eligible to Opt-in During Voluntary Election Period			
CCN	Hospital Name	MSA	MSA TITLE
330405	Helen Hayes Hospital	35620	New York-Newark-Jersey City, NY-NJ-PA
360241	Edwin Shaw Rehab Institute	10420	Akron, OH
370011	Mercy Hospital El Reno Inc.	36420	Oklahoma City, OK
370158	Purcell Municipal Hospital	36420	Oklahoma City, OK
370199	Lakeside Women's Hospital A Member of INTEGRIS Health	36420	Oklahoma City, OK
370206	Oklahoma Spine Hospital	36420	Oklahoma City, OK
370215	Oklahoma Heart Hospital	36420	Oklahoma City, OK
370234	Oklahoma Heart Hospital South	36420	Oklahoma City, OK
390184	Highlands Hospital	38300	Pittsburgh, PA
390217	Excelsa Health Frick Hospital	38300	Pittsburgh, PA
420057	McLeod Medical Center-Darlington	22500	Florence, SC
420066	Lake City Community Hospital	22500	Florence, SC
440131	Baptist Memorial Hospital Tipton	32820	Memphis, TN-MS-AR
450143	Seton Smithville Regional Hospital	12420	Austin-Round Rock, TX
450605	Care Regional Medical Center	18580	Corpus Christi, TX
450690	University of Texas Health Science Center at Tyler	46340	Tyler, TX
450865	Seton Southwest Hospital	12420	Austin-Round Rock, TX
460043	Orem Community Hospital	39340	Provo-Orem, UT
670087	Baylor Scott & White Emergency Medical Center-Cedar Park	12420	Austin-Round Rock, TX

CMS proposes that the voluntary participation election period would begin January 1, 2018, and would end January 31, 2018. CMS says it must receive a participation election letter no later than January 31, 2018. CMS is proposing that the hospital's participation election letter would serve as the model participant agreement. CMS says that based on timing considerations, including potential changes to the anticipated date of publication of the final rule, it may modify the dates of the voluntary participation election period and make conforming changes to the dates for voluntary participation in performance year three. CMS estimates that 60 to 80 hospitals will choose voluntary participation.

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