Advisor Live

Finding Success in Mandatory Total Joint Replacement Bundles

May 25, 2017

Download today's slides at www.premierinc.com/events

@PremierHA
#AdvisorLive

Logistics

AUDIO

Dial in to our operator assisted call, 800.684.7148

NOTES

Download today's slides from the event post at premierinc.com/events

QUESTIONS

Use the "Questions and Answers"

RECORDING

This webinar is being recorded.
View it later today on the event post at premierinc.com/events.

Faculty

Wendy Rossi
Director, Performance Partner
Premier

Joshua Hale, BBA, CSSGB
Project Manager Presbyterian Healthcare Services

Dial-in: 800.684.7148

Agenda

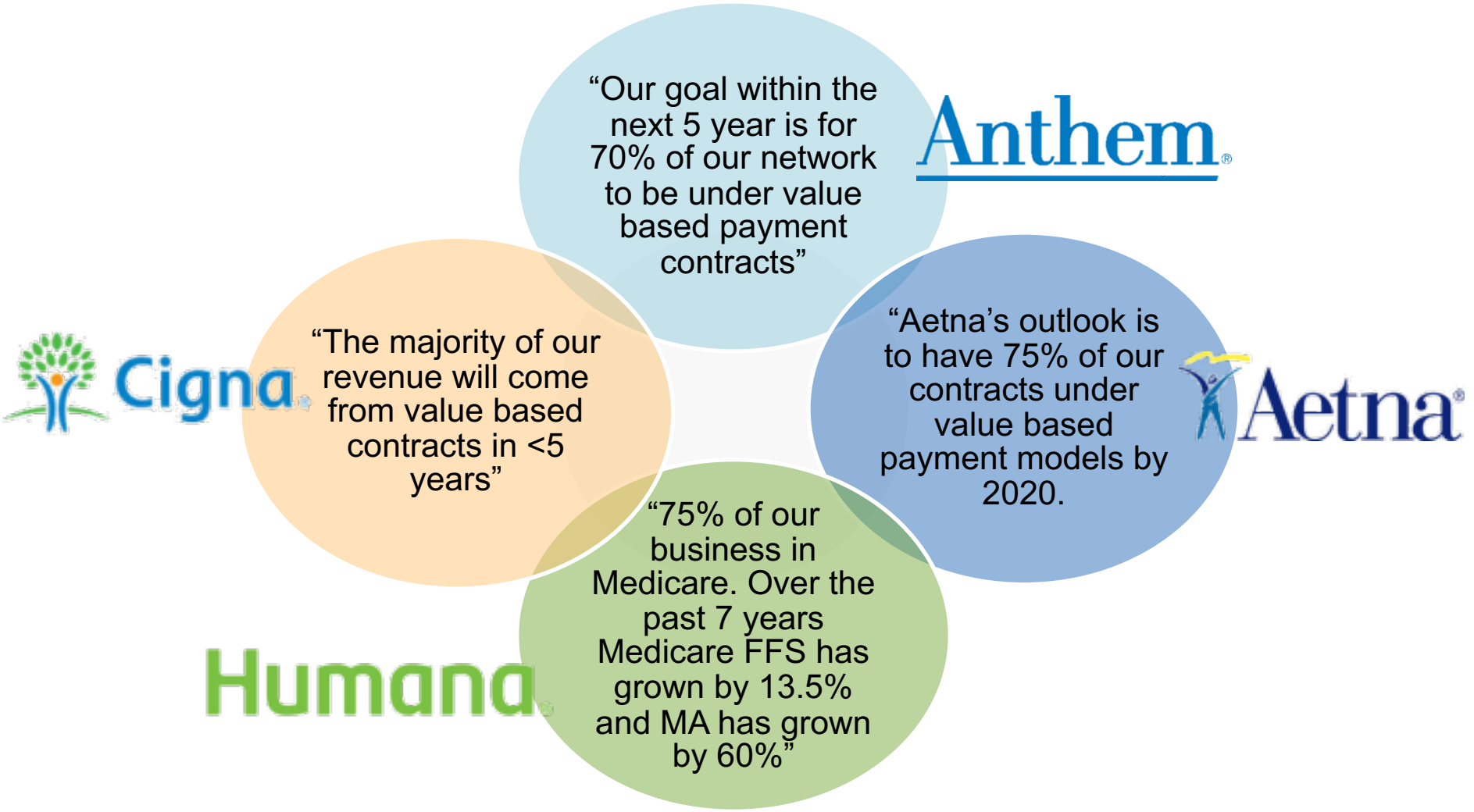
- Introductions
- Recent Developments in Bundled Payments
- Presbyterian Healthcare Services – Success Story

Dial-in: 800.684.7148

Bundles Are Here to Stay

- Bundled payments are value-based payment model **which is reinforced by the passage of MACRA.**
  - Mandatory and future voluntary bundled payment models qualify for the Advanced APM track in MACRA.
- **Will affect almost every healthcare organization** in the next 5-10 years
- Hospitals must **look outside their four walls**, post-acute care is essential
- **BPCI will potentially be replaced in 2018** with a new voluntary program
- Quality metrics requirements **incentivize hospitals to monitor performance**
- **Can encourage physician alignment** by sharing in savings

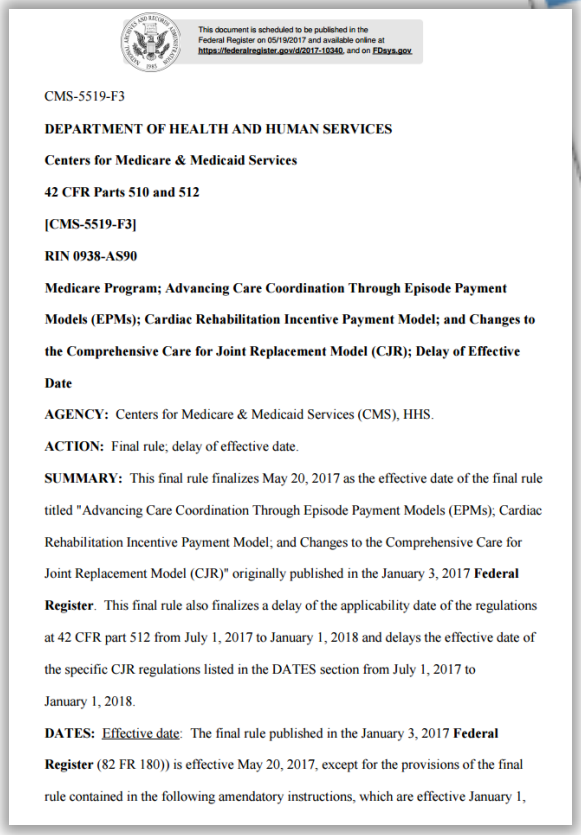
Commercial payors are also aggressively transitioning to value-based payment



Dial-in: 800.684.7148

CMS is moving forward with mandatory EPMs

- Cardiac EPMs/SHFFT/CR Incentive start date pushed back to **1/1/2018** *(announced 5/19/17)*
- CMS specifically states that they disagree with canceling EPMs.
- Bundled payments now officially support provider AAPM strategies.



This document is scheduled to be published in the Federal Register on 05/19/2017 and available online at https://federalregister.gov/d/2017-10340, and on FDsys.gov

CMS-5519-F3

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 510 and 512

[CMS-5519-F3]

RIN 0938-AS90

Medicare Program; Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR); Delay of Effective Date

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule; delay of effective date.

SUMMARY: This final rule finalizes May 20, 2017 as the effective date of the final rule titled "Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR)" originally published in the January 3, 2017 **Federal Register**. This final rule also finalizes a delay of the applicability date of the regulations at 42 CFR part 512 from July 1, 2017 to January 1, 2018 and delays the effective date of the specific CJR regulations listed in the DATES section from July 1, 2017 to January 1, 2018.

DATES: Effective date: The final rule published in the January 3, 2017 **Federal Register** (82 FR 180)) is effective May 20, 2017, except for the provisions of the final rule contained in the following amendatory instructions, which are effective January 1,

FEDERAL REGISTER

The Daily Journal of the United States Government

Rule

Medicare Program; Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR); Delay of Effective Date

A Rule by the Centers for Medicare & Medicaid Services on 05/19/2017

AGENCY:

Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION:

Final rule; delay of effective date.

SUMMARY:

This final rule finalizes May 20, 2017 as the effective date of the final rule titled "Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR)" originally published in the January 3, 2017 **Federal Register**. This final rule also finalizes a delay of the applicability date of the regulations at 42 CFR part 512 from July 1, 2017 to

DOCUMENT DETAILS

Printed version:

PDF

Publication Date:

05/19/2017

Agencies:

Centers for Medicare & Medicaid Services

Dates:

Effective date: The final rule published in the January 3, 2017 Federal Register (82 FR 180)) is effective May 20, 2017, except for the provisions of the final rule contained in the following amendatory instructions, which are effective January 1, 2018. Number 3

Dial-in: 800.684.7148

Are You Preparing for Bundled Payment Reforms?

Hospitals must be prepared in the following areas for program success:

Program Oversight & Financial Risk Elements

Cross Continuum Care Pathways / Care Models

Post-acute Partnerships

Provider Engagement

Bundled Payment Analytics, Reporting & Reconciliation

Quality Performance Measurement

Dial-in: 800.684.7148

Comprehensive Care for Joint Replacement

Dial-in: 800.684.7148

PRESBYTERIAN

About Presbyterian Healthcare Services

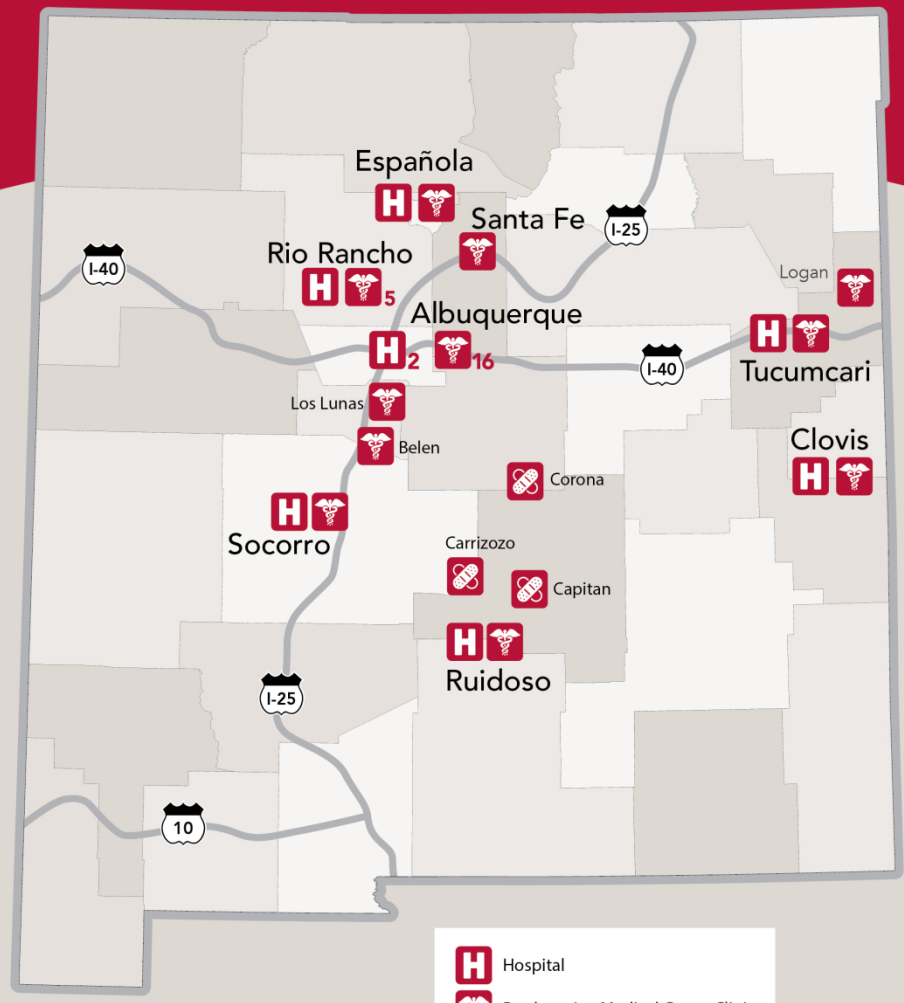
Presbyterian exists to improve the health of the patients, members and communities we serve.

- Largest not-for-profit healthcare system in New Mexico
- **8 hospitals** in 7 communities.
- **981** licensed hospital beds
- Serving One in Three New Mexicans
- 2 CJR Hospitals

PRESBYTERIAN
Dial-in: 800.684.7148

PRESBYTERIAN HEALTHCARE SERVICES

New Mexico's Largest Provider of Care



Employed Orthopedic Surgeons

14% of CJR patient volume

Contracted Orthopedic Surgeons

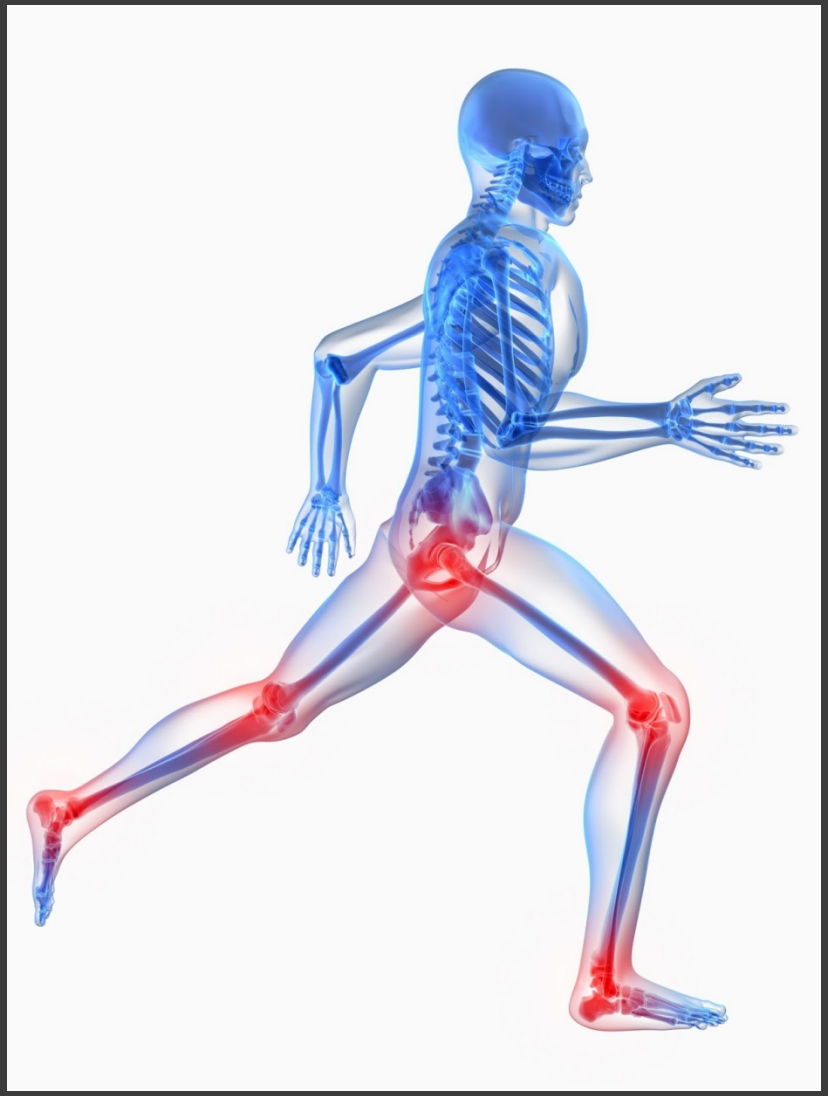
86% of CJR patient volume

A New Initiative

CMS published a final ruling that required hospitals within 67 geographic areas (about 800 hospitals) to participate in a new bundled payment initiative called Comprehensive Care for Joint Replacements (CJR)

A New Initiative Continued

As part of this program, Presbyterian is responsible for the medical spend of patients undergoing Total Joint Replacements (TJR) of the Lower Extremity (MS-DRG 469 & 470) from the time of admission to the hospital through 90 days after discharge from the hospital.



A New Initiative Continued

CMS sets a target price for the total cost of care. If the aggregate cost per patient is less than the target price, CMS will pay the hospital a bonus. If the aggregate cost per patient is higher than the target price, the hospital has to pay CMS a penalty.

https://innovation.cms.gov/

CMS's Reasoning for CJR

Quality - the rate of complications after surgery can be more than three times higher at some facilities than others

Cost - In 2014 there were more that 400,000 procedures costing Medicare over $7 billion for just the hospitalizations

The average Medicare expenditure for surgery, hospitalization, and recovery ranges from $16,500 to $33,000 across geographic areas

CMS expects to save $343 million over a 5 year period

Where did we start?

Initiative was announced in October of 2015 with a start date of April 1st, 2016.

- Partnered with Premier Inc.
- Established a project steering committee and workgroup
- Assigned a dedicated project manager
- Legal and Compliance Review of the Final Rule

PHS Premier Partnership 1996-2017

Presbyterian has partnered with Premier for over 20 years and worked on a wide variety of initiatives.

Partnering with Premier for CJR included several valuable benefits including

- Project Planning and Development
- Data and Analytics
- CJR program Subject Mater Expert (SME)

Project Planning and Development

PREMIER

Enterprise Planning for Bundled Payment	Responsibility	Phase	In Progress	Complete	Due Date
PROJECT GOVERNANCE, COMMUNICATION AND OVERSIGHT					
Sponsorship Team Meeting	Sponsorship Team	Immediate			
Oversight Committee (BP-OC) and Work stream Formation	Sponsorship Team	Immediate			
Identify Physician Champions, Physician Stakeholders and Other Stakeholders	BP-OC	On-Going			
Identify BP Focused Stakeholder Communication and Education needs	BP-OC	Short Term			
Identify Enterprise wide Communication and Education needs	BP-OC	On-Going			
Identify roles and responsibilities and timeline	BP-OC	Immediate			
Engage Legal	BP-OC or Sponsors	Immediate			
Review CJR Agreement	BP-OC or Sponsors				
Sign and Submit Agreement to CMS	BP-OC or Sponsors				
Engage Compliance Officer:	BP-OC	Short Term			
Identify compliance process, as needed	BP-OC				
CMS CJR Audit Process Owner and Data Collection	BP-OC				
Identify CMS and Premier Primary Contact	BP-OC	Immediate			
Notify CMS and Premier	BP-Sponsor	Immediate			
Analytics Support Structure and skill identification	BP-OC	Short Term			
Project Updates & Communication process with Sr. Executives, System, and Community	BP-OC	Short Term			
Beneficiary Complaint Monitoring	BP-OC	On-Going			
CURRENT STATE AND BUNDLE PAYMENT READINESS					
Discuss and Determine Organization Readiness in Key Competency Areas:					
Current Market	BP Sponsor	Immediate			
Program Governance / Administrative	BP-OC	Short Term			
Episode Definition	BP-OC	Short Term			
High level Cost Reduction Opportunity Identification (and Risk Management)	BP-OC	Short Term			
Assess Care Re-design/Model Development needs	BP-OC	Immediate			
Identify project plan with timing for key care re-design activities	Care Team				

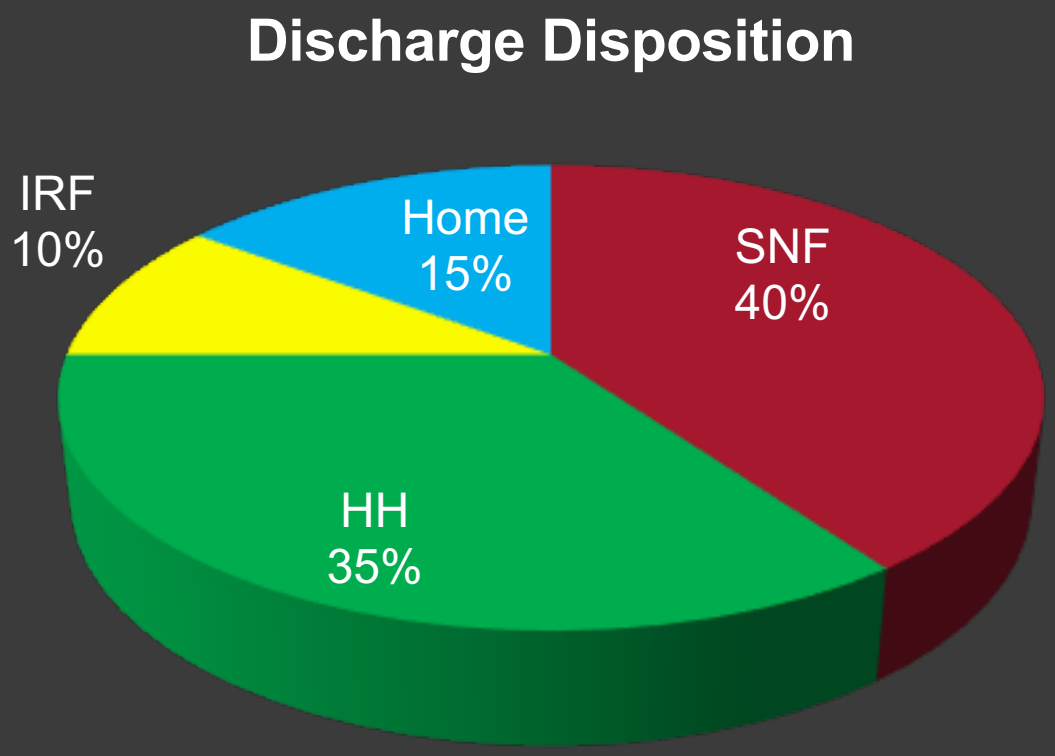
Data and Analytics

CMS released three years of historical claims data from 2012-2014 that included any services paid under Medicare Part A and Part B for all Medicare fee-for-service beneficiaries (with a few exceptions).

Premier partners with Milliman for data analysis.

What did the data tell us?

About 35-40% of the total cost of care for this patient population was incurred at post-acute agencies.



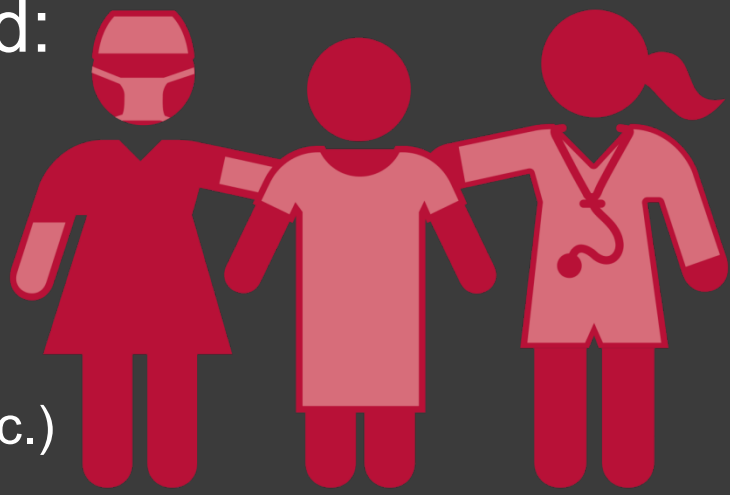
Building on What We Had

Evidence based care pathways were already in place, but we had improvement opportunities in Inpatient Rehab Facilities (IRF) Home Health and Skilled Nursing Facilities (SNF).

- Identified and engaged internal post-acute champions and Subject Matter Experts (SME)
- Developed strategic partnerships with “preferred” Home Health and SNF agencies
- Continual monthly meetings set with partner facilities

Post-Acute Partners

A series of meetings was set with each individual partner to discuss the full workflow/process of a hip/knee replacement. This included:



- Patient scheduling
- Patient admission to the hospital
- Surgery
- Inpatient hospital stay
- Discharge planning (timing, paperwork etc.)
- Transportation
- Intake process (medication reconciliation, triage, etc.)
- Therapy protocols
- Discharge process
- DME ordering

SNF barriers to earlier discharge

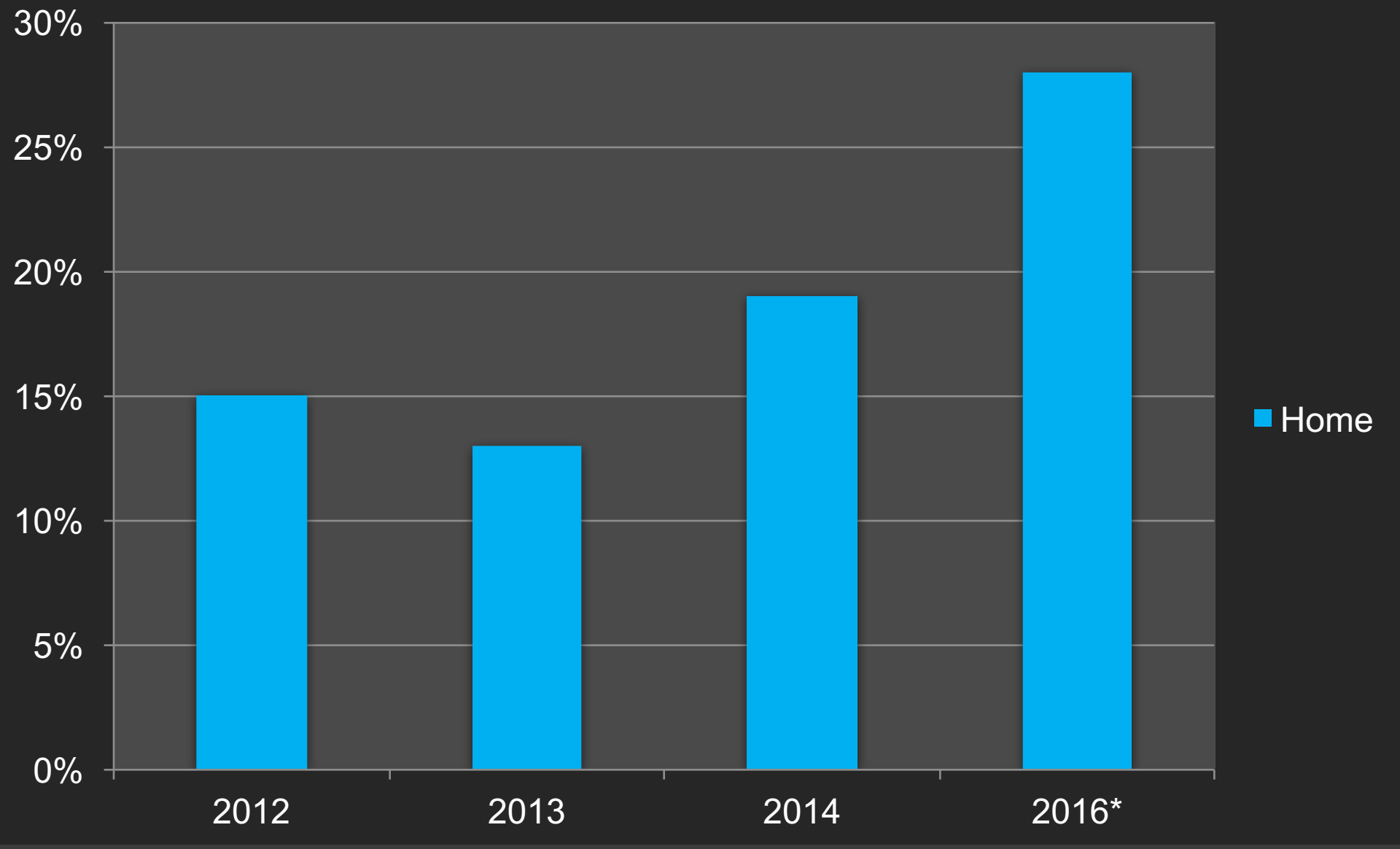
- Transportation
- Discharge Timing
- Medication Timing
- DME Ordering
- Out Patient Therapy Scheduling

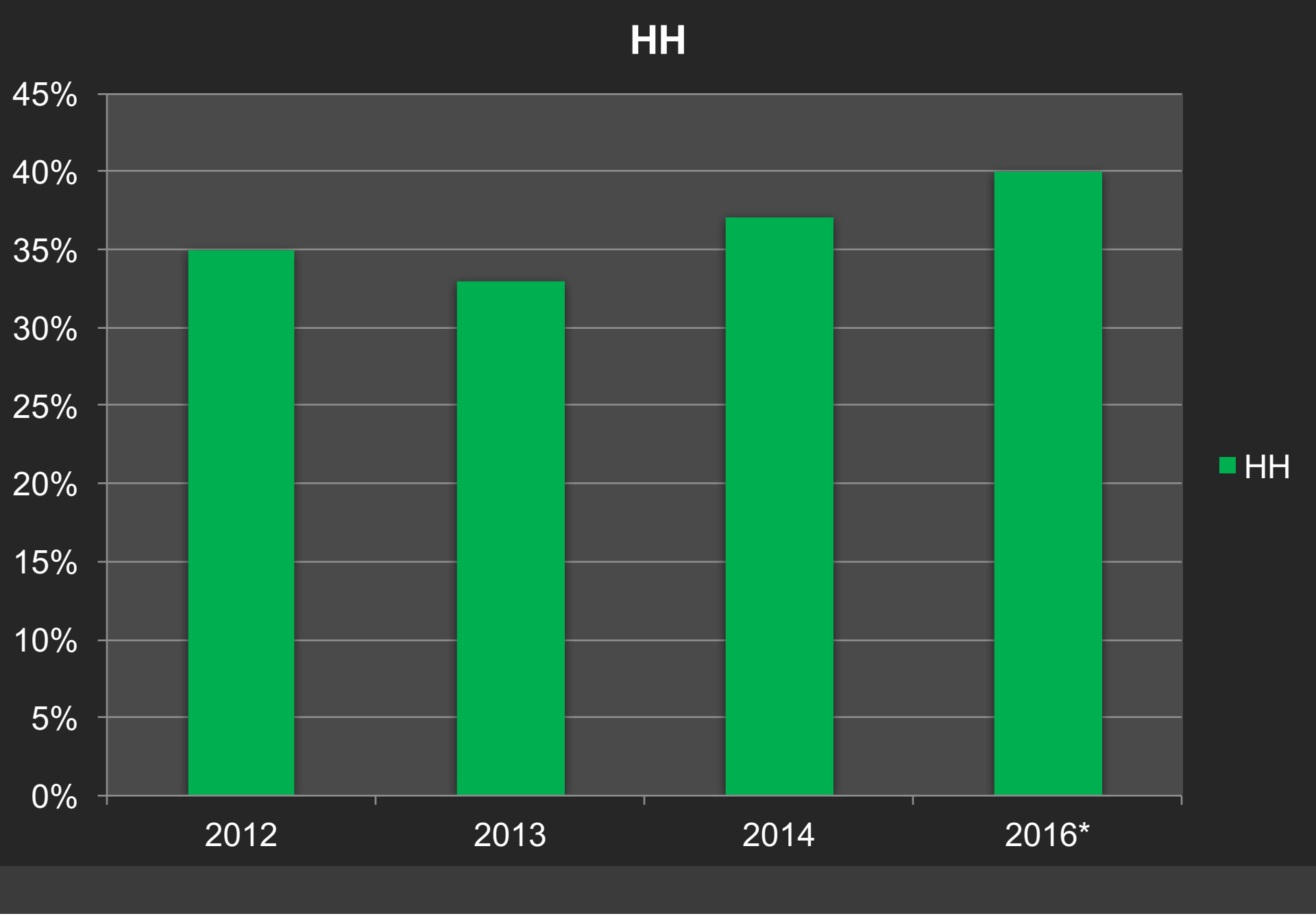
Home Health barriers to earlier discharge

- “Opening” with physical therapy instead of nursing
- Discharge timing
- Out Patient Therapy Scheduling

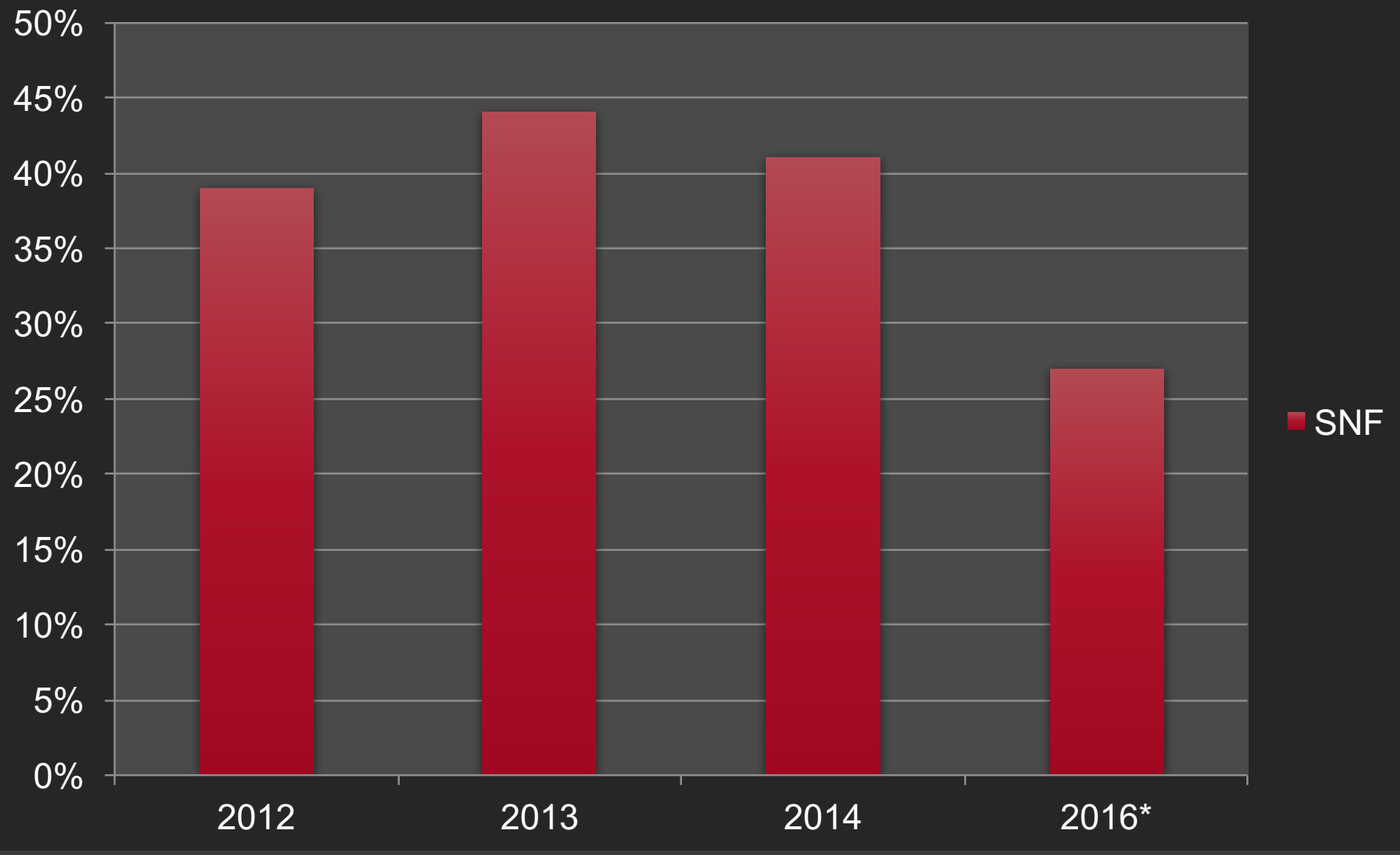
So what were the results of our efforts…

Home

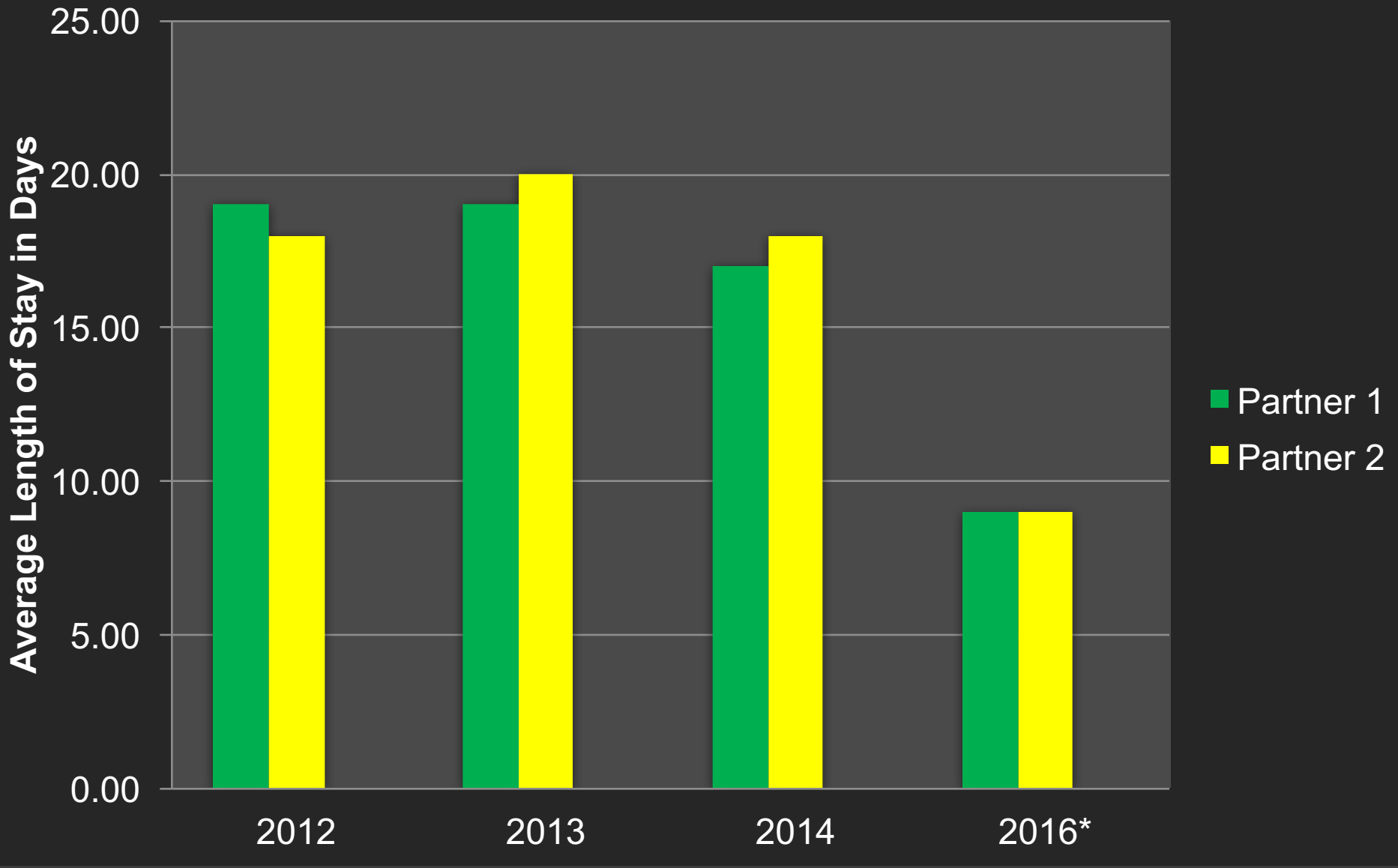



HH
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
2012
2013
2014
2016*
HH

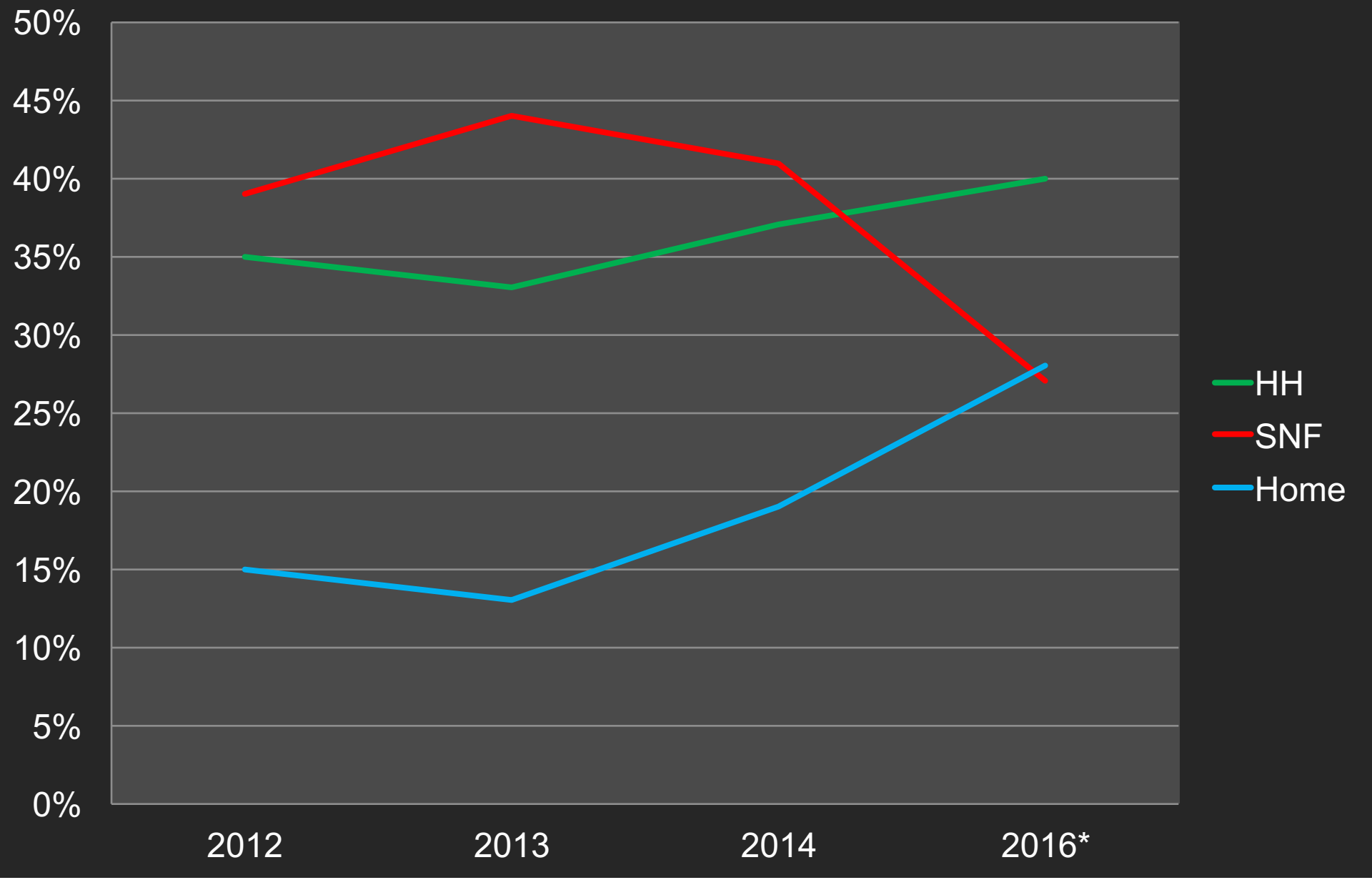
SNF



SNF Partner Length of Stay



Discharge Disposition by Year



Questions?

Wendy Rossi, M.P.H.
Director, Performance Partner
Premier
704.816.4641
wendy_rossi@premierinc.com

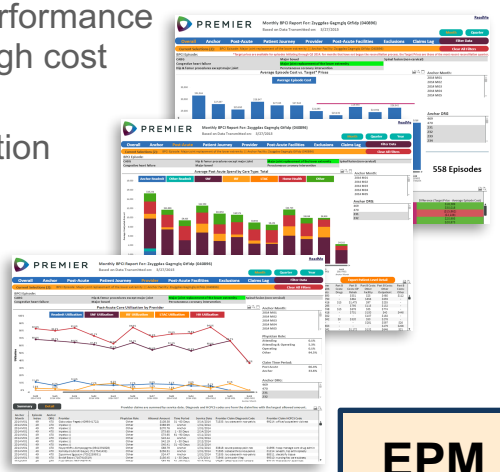
Joshua Hale, BBA, CSSGB
Project Manager
Presbyterian Healthcare Services
jhale2@phs.org

APPENDIX

Premier's Bundled Payment Intelligence Platforms Aggregate CMS Data into Easy-to-Understand Formats and Dashboards

BPCI

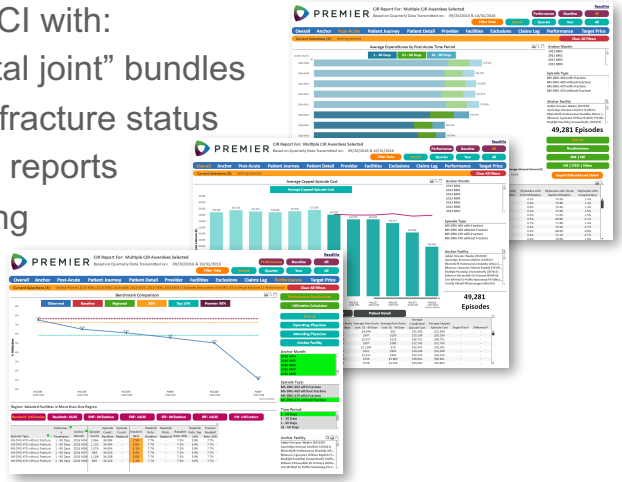
- Historical claims & performance analytics to identify high cost services
- Episode cost & utilization trends
- Performance reports
- Patient-level reports
- PAC utilization
- Provider reports
- All 48 conditions



CJR

The same as BPCI with:

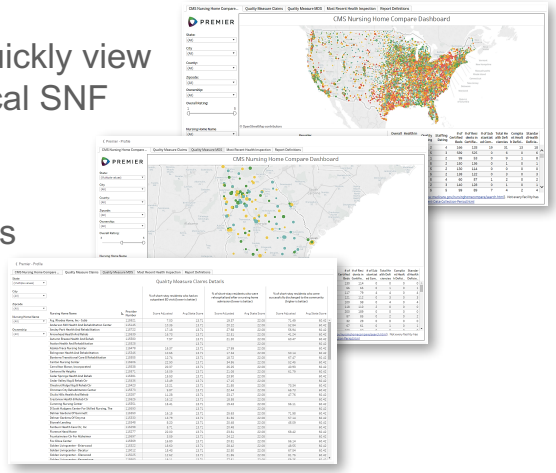
- Focus on "total joint" bundles
- Break-out of fracture status
- Complication reports
- Quality scoring
- Performance trends



EPM platform coming in 2017

SNF Compare Tool

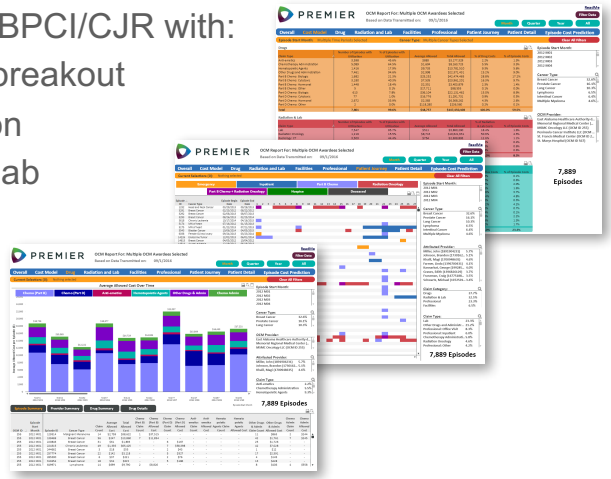
- Interactive visual comparison to quickly view metrics within local SNF market
- Quality & health inspection metrics
- Star ratings data
- Monthly updates



OCM

Similar layout as BPCI/CJR with:

- Cancer type breakout
- Drug utilization
- Radiation & Lab
- Cost model
- Patient-level reports
- Provider reports

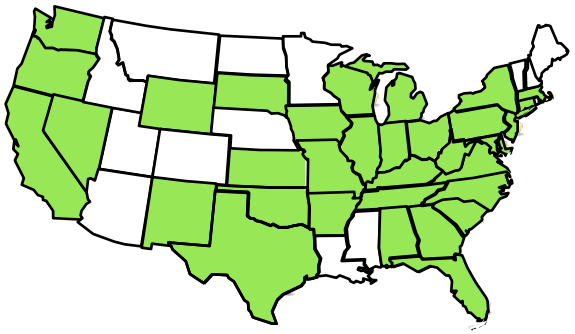


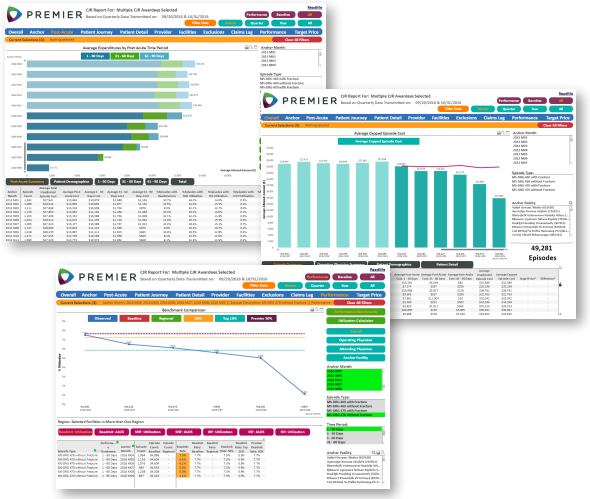
Enabling Success in Bundled Payment

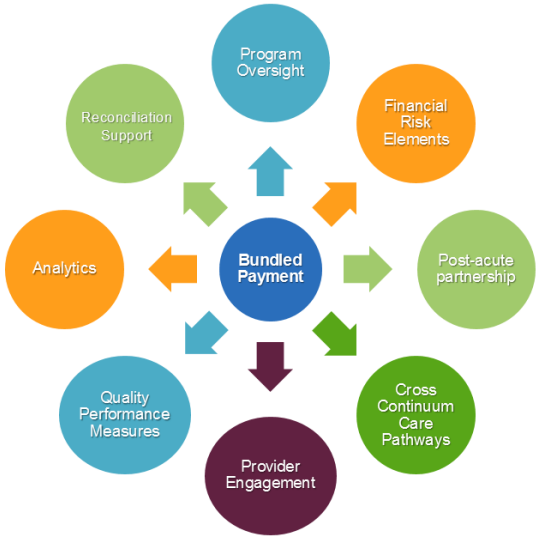
Connecting People:
National Bundled Payment Collaborative

Connecting Data:
Population Health Analytics

Connecting Knowledge:
Operational Deployment







Bundled Payment Collaborative – Multiple Programs

120+ members collaborating on best practices and performance improvement

Bundled Payment Data Management

Meaningful claims analysis and benchmarking supporting performance improvement initiatives

Resources to Build Capabilities

Cohorts, best practices portal, webinars, tools, subject matter experts