PREMIER

Welcome
Advisor Live: September 5, 2017

Our Presentation:

Understanding the CMS Episode Payment Model (EPM) Cancelation and CJR Changes Proposed Rule

Will Begin Shortly

Listen to Today's Audio: 800.630.4153

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

© 2017 PROPRIETARY & CONFIDENTIAL

PREMIER

Advisor Live

Understanding the CMS Episode Payment Model (EPM) Cancelation and CJR Changes Proposed Rule

September 5, 2017

Download today's slides at www.premierinc.com/events
Dial-in: 800.630.4153

@PremierHA
#AdvisorLive

© 2017 PROPRIETARY & CONFIDENTIAL

Logistics

AUDIO

Dial in to our operator assisted call, **800.630.4153**

NOTES

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

QUESTIONS

Use the "Questions and Answers"

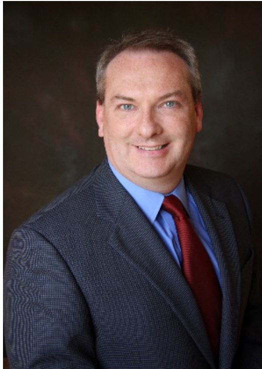
RECORDING

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

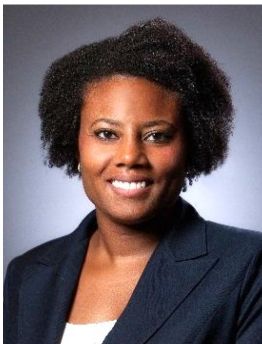
© 2017 PROPRIETARY & CONFIDENTIAL

Faculty

Danielle Lloyd, M.P.H.
VP, policy and advocacy
Deputy director, D.C. office,
Premier, Inc.



Mark Hiller
VP, engagement & delivery
Premier, Inc.



Aisha Pittman, M.P.H.
Director, quality policy and analysis,
Premier, Inc.

© 2017 PROPRIETARY & CONFIDENTIAL

Agenda

- Cardiac EPM, SHFFT, and CR Incentive Cancelation
- Future of voluntary bundling programs and CR Incentive Commentary
- CJR Model Changes
  - Mandatory and Voluntary CJR Markets
  - Voluntary Opt-In Requirements and Timing
  - AAPM – Clinician Engagement Lists
  - Performance Year 1 Subsequent Reconciliation
- Preliminary Comments

© 2017 PROPRIETARY & CONFIDENTIAL

High Level Overview of Proposed Rule

- Proposed Rule published on August 17, *Federal Register*
- The entirety of the EPM Final Rule remains in effect for CJR
- Cancels the start of the AMI, CABG, and SHFFT bundles and the Cardiac Rehabilitation Incentive Model
- Splits the CJR program into 34 Mandatory and 33 Voluntary MSAs (with one-time opt-in period)
- Low-volume and rural hospitals, irrespective of MSA, are excluded from CJR unless they opt-in
- CJR will continue to act as an AAPM
  - Under the CJR Track 1 AAPM, a new "Clinician Engagement" list will allow clinicians without financial arrangements to participate in the AAPM under QPP
- PY1 Subsequent Reconciliation will be incorporate quality adjustments as detailed in the EPM Final Rule
- Comments are due **October 16, 2017**

© 2017 PROPRIETARY & CONFIDENTIAL

EPM and CR Incentive Cancelation

- Cancels AMI, CABG, SHFFT, and CR Incentive Models prior to the January 1, 2018 start date.
- Expresses concern that mandatory models "…may impede our ability to engage providers, such as hospitals, in future voluntary efforts."
- Considered allowing EPM and the CR Incentive to be voluntary, but did not believe time allowed hospitals to prepare prior to 1/1/2018.
- Acknowledges that Cardiac Rehab does have significant evidence of benefit and may revisit a voluntary program.
- State that the Innovation Center "…expects to develop new voluntary bundled payment model(s) during CY 2018 that would be designed to meet the criteria to be an Advanced APM" in which bundlers could engage.

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Proposed Changes

© 2017 PROPRIETARY & CONFIDENTIAL

CJR – Changes to Mandatory Model

- Recognizes that bundled payment models for lower extremity joint replacement (LEJR) do have an opportunity for cost reductions.
- Considers three key elements in evaluating CJR Model:
  - How to continue to test the model with minimal interference for hospitals
  - How to be sensitive to the level of resources CJR participants have already invested
  - How to maximize the ability for hospitals to engage in voluntary models
- Proposes the following in consideration of these elements:
  - Retain half of CJR MSAs (34) in the Mandatory CJR model
  - Allow half of CJR MSAs (33) to voluntarily opt-in to CJR for remainder of model (PY 3, 4, 5)
  - Allow low volume and rural hospitals to voluntarily opt-in to CJR for remainder of model

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Model Mandatory/Voluntary Structure

- CJR Model
  - 34 Mandatory MSAs
    - Opt-In Low Volume* Hospitals — Voluntary
    - Opt-in Rural Hospitals — Voluntary
  - 33 Voluntary Opt-in MSAs

*Total low volume hospitals in Mandatory MSAs = 86

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Opt-in Dates and Process

	Required to Participate as of February 1, 2018	May Elect Voluntary Participation	Participation Election Period	Election Effective Date*
Mandatory Participation MSAs:				
All IPPS participant hospitals, except rural and low-volume*	Yes	No	N/A	N/A
Rural hospitals*	No	Yes	1/1/2018-1/31/2018	2/1/2018
Low-volume hospitals*	No	Yes	1/1/2018-1/31/2018	2/1/2018
Voluntary Participation MSAs:				
All IPPS participant hospitals	No	Yes	1/1/2018-1/31/2018	2/1/2018

*If a hospital does not opt-in by the end of the election period, all Performance Year 3 episodes initiated prior to 2/1/2018 are canceled.

Note: Participation requirements are based on the CCN status of the hospital as of January 31, 2018. A change in rural status after the voluntary election period does not affect the participation requirements.

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Proposed Mandatory MSAs

Mandatory MSAs			
MSA Name	**Wage-adjusted Episode Payments**	**MSA Name**	**Wage-adjusted Episode Payments**
Miami-Ft Lauderdale-West Palm Beach, FL	$ 33,072	Orlando-Kissimmee-Sanford, FL	$ 29,259
Beaumont-Port Arthur, TX	$ 32,544	Austin-Round Rock, TX	$ 28,960
Tampa-St. Petersburg-Clearwater, FL	$ 32,424	Memphis, TN-MS-AR	$ 28,916
Tuscaloosa, AL	$ 31,789	Provo-Orem, UT	$ 28,852
New York-Newark-Jersey City, NY-NJ-PA	$ 31,076	Reading, PA	$ 28,679
Tyler, TX	$ 30,955	Toledo, OH	$ 28,658
Pittsburgh, PA	$ 30,886	Harrisburg-Carlisle, PA	$ 28,360
Montgomery, AL	$ 30,817	Los Angeles-Long Beach-Anaheim, CA	$ 28,219
Dothan, AL	$ 30,710	Akron, OH	$ 28,081
Corpus Christi, TX	$ 30,700	Cincinnati, OH-KY-IN	$ 28,074
Monroe, LA	$ 30,431	Sebastian-Vero Beach, FL	$ 28,015
Port St. Lucie, FL	$ 30,423	Florence, SC	$ 27,901
Hot Springs, AR	$ 29,621	Asheville, NC	$ 27,617
New Orleans-Metairie, LA	$ 29,562	New Haven-Milford, CT	$ 27,529
Lubbock, TX	$ 29,524	Greenville, NC	$ 27,446
Pensacola-Ferry Pass-Brent, FL	$ 29,485	Killeen-Temple, TX	$ 27,355
Gainesville, FL	$ 29,370	Oklahoma City, OK	$ 27,267

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Voluntary MSAs

Voluntary MSAs			
MSA Name	**Wage-adjusted Episode Payments**	**MSA Name**	**Wage-adjusted Episode Payments**
Kansas City, MO-KS	$ 27,261	Ogden-Clearfield, UT	$ 25,472
Lincoln, NE	$ 27,173	Athens-Clarke County, GA	$ 25,394
Naples-Immokalee-Marco Island, FL	$ 27,120	Durham-Chapel Hill, NC	$ 25,151
Nashville-Davidson--Murfreesboro--Franklin, TN	$ 26,880	Decatur, IL	$ 24,846
Charlotte-Concord-Gastonia, NC-SC	$ 26,736	Modesto, CA	$ 24,819
St. Louis, MO-IL	$ 26,425	Flint, MI	$ 24,807
Carson City, NV	$ 26,128	Cape Girardeau, MO-IL	$ 24,564
Denver-Aurora-Lakewood, CO	$ 26,119	Madison, WI	$ 24,442
Buffalo-Cheektowaga-Niagara Falls, NY	$ 26,037	Topeka, KS	$ 24,273
Wichita, KS	$ 25,945	Boulder, CO	$ 24,115
Albuquerque, NM	$ 25,892	San Francisco-Oakland-Hayward, CA	$ 23,716
Indianapolis-Carmel-Anderson, IN	$ 25,841	Seattle-Tacoma-Bellevue, WA	$ 23,669
Norwich-New London, CT	$ 25,780	South Bend-Mishawaka, IN-MI	$ 23,143
Milwaukee-Waukesha-West Allis, WI	$ 25,698	Gainesville, GA	$ 23,009
Columbia, MO	$ 25,558	Portland-Vancouver-Hillsboro, OR-WA	$ 22,604
Staunton-Waynesboro, VA	$ 25,539	Bismarck, ND	$ 22,479
Saginaw, MI	$ 25,488		

© 2017 PROPRIETARY & CONFIDENTIAL

Opt-In Letter Requirements	
	Hospital Name
	Hospital Address
	Hospital CCN
	Hospital contact name, telephone number, and e-mail address
	If selecting the Advanced APM track, attestation of CEHRT use
	Certification the hospital will comply with all CJR rules, requirements, and all other applicable laws and regulations
	Certification that all data and information shared with CMS under CJR, including the opt-in letter, are accurate, complete, and truthful
	Signed by CEO, CFO, or Hospital Administrator

© 2017 PROPRIETARY & CONFIDENTIAL

CJR Clinician Engagement List

- CJR hospitals will continue to be able to attest to being an AAPM
- Per EPM Final Rule, Eligible Clinicians may qualify for AAPM participation based on being on a Clinician Financial Arrangement List submitted by CJR Track 1 hospitals.
- Allows a "Clinician Engagement" list which would include clinicians who do not have a financial arrangement with the CJR hospital, but do have a contractual relationship with the CJR hospital to support quality and cost goals under the CJR model.
  - This could include direct employment agreements.
  - Examples: Promoting accountability for the quality, cost and overall care for beneficiaries, Managing and coordinating care, Encouraging redesigned care processes for high quality and efficient service delivery, etc.
- Submission of the financial arrangement and clinician engagement lists would allow listed providers to be included in the AAPM and to be considered for Qualifying Provider determination under QPP.

© 2017 PROPRIETARY & CONFIDENTIAL

CJR - Future Reconciliations

- In the EPM Final Rule, three major changes were made to the CJR quality program:
  - Quality thresholds for “Good” status increased from 6.0 – 13.2 to 6.9 – 15
  - Quality thresholds for “Excellent” status increased from >13.2 to >15
  - Quality improvement point thresholds decreased to 2 deciles from 3 deciles
  - CMS is expecting for 90 percent of hospitals to earn “Acceptable” or higher under this new methodology

- As originally written, these changes to the quality scoring would not have impacted PY1 NPRA. However:
  - The quality changes will be incorporated into the subsequent reconciliation for PY1 so as to:
    - » Ensure PY2 improvement point opportunity is calculated with minimal interruption
    - » Accurately reflect quality improvement for PY1

© 2017 PROPRIETARY & CONFIDENTIAL

Other Changes Under CJR

- As originally written in the CJR Final Rule, the pricing method for 9 telehealth HCPCS codes did not account for practice expenses for comparable office and E&M visits.
  - For example, additional costs related to the delivery of telehealth services under the CJR model such as maintaining the telecommunications equipment, software and security were not considered.
  - Telehealth HCPCS have been modified to include practice expense RVUs
- If new CCN due to acquisition, merger, or divestiture, a reconciliation will be done for each CCN entity.
  - Example: Hospital A and Hospital B merge under a Hospital B's CCN. There will be reconciliations for pre-merger Hospital A, pre-merger Hospital B, and post-merger for the combination of Hospital A and B
- Clarifies that ICD-10s used under CJR quality measures will be updated in accordance with NQF updates.

© 2017 PROPRIETARY & CONFIDENTIAL

How To Submit a Comment

CMS EPM/CJR Proposed Rule

– Comments due 60 days from the date of display (October 16, 2017)

1. Go to proposed rule
2. Click “Submit a Formal Comment”, the green button on the right-hand side of the page below the title.

OR

1. Go to http://www.regulations.gov
2. Type “CMS-5524-P” into the search box
3. Find “Medicare Program; Cancellation of Advancing Care Coordination Through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model” (should be first selection)
4. Click on “Comment Now”, the blue button to the right of the title.

© 2017 PROPRIETARY & CONFIDENTIAL

Comments

- CJR
  - Appreciate that the model is now voluntary for some participants, would prefer a completely voluntary model
  - Concern that making the model mandatory for only high cost MSA will make it difficult to evaluate the program
  - Appreciate addition of Clinician Engagement List for AAPM consideration
  - Support quality scoring and telehealth changes
- EPM
  - Would prefer a voluntary model in lieu of cancellation
  - Would like to see this model incorporated into BPCI Advanced
- Cardiac Rehab Incentive
  - Should move forward with a voluntary model

© 2017 PROPRIETARY & CONFIDENTIAL

Important Links

Premier detailed summary

Proposed Rule

CMS press release

CMS fact sheet

© 2017 PROPRIETARY & CONFIDENTIAL

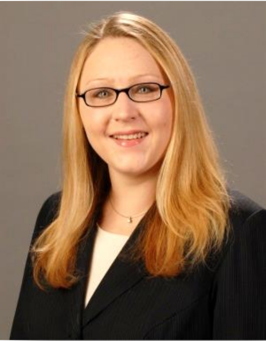
Appendix

Telehealth HCPCS Pricing

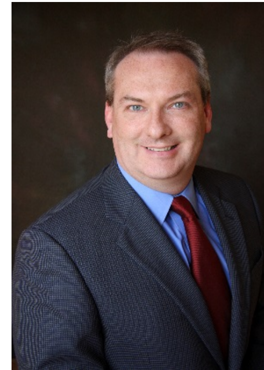
- As originally written in the CJR Final Rule, the pricing method for 9 telehealth HCPCS codes did not account for practice expenses for comparable office and E&M visits.
  - The assigned PE RVU value was 0 based on the belief that practice expenses incurred to furnish these services are marginal or are paid for through other MPFS services.
  - However, this pricing methodology did not account for additional costs related to the delivery of telehealth services under the CJR model such as maintaining the telecommunications equipment, software and security.
- CMS is now proposing to use the facility PE RVUs for the analogous services in pricing the 9 CJR HCPCS G codes. Additionally, CMS is proposing to reflect the addition of the RVUs for comparable codes for the facility PE to the work and MP RVUs they are currently using for the basis for payment of the CJR telehealth waiver G codes.

© 2017 PROPRIETARY & CONFIDENTIAL

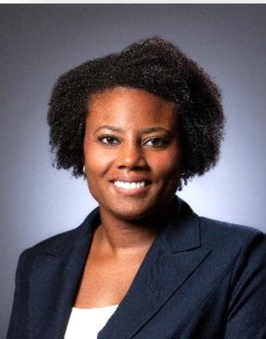
PREMIER



Danielle Lloyd, M.P.H.
VP, policy and advocacy
Deputy director, D.C. office
202.879.8002
danielle_lloyd@premierinc.com



Mark Hiller
VP, engagement & delivery
704.816.5157
mark_hiller@premierinc.com



Aisha Pittman, M.P.H.
Director, quality policy and analysis
202.879.8013
aisha_pittman@premierinc.com

© 2017 PROPRIETARY & CONFIDENTIAL

Transforming Healthcare TOGETHER