

Balancing State, Federal and Internal Bundle Payment Initiatives

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Key Take Aways

- What are the different types of bundles and reasons to become involved in a bundle payment?
- How do you work with multiple bundle payments at a time?
- What tools can you use to make changes?

2013

- Started BPCI program redesign
- State of TN announced Episodes of Care program

2014

- BPCI program went live 1/1/2014 for Valve Surgery
- Temporary office formed to respond to state program

2015

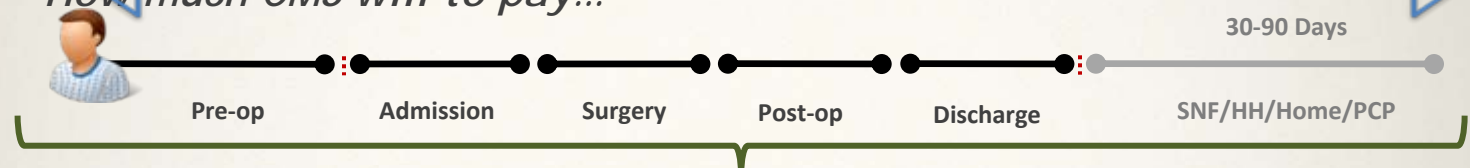
- Moved to sustaining office to support efforts
- 3 Episodes for Medicaid population mandated started 1/1/2015
- Addition of Total Joint and Stroke to BPCI

2016

- Valve BPCI ended 1/1/2016
- CJR program 4/1/2016
- 5 Episodes added for mandated Medicaid population
- NOSA collaboration

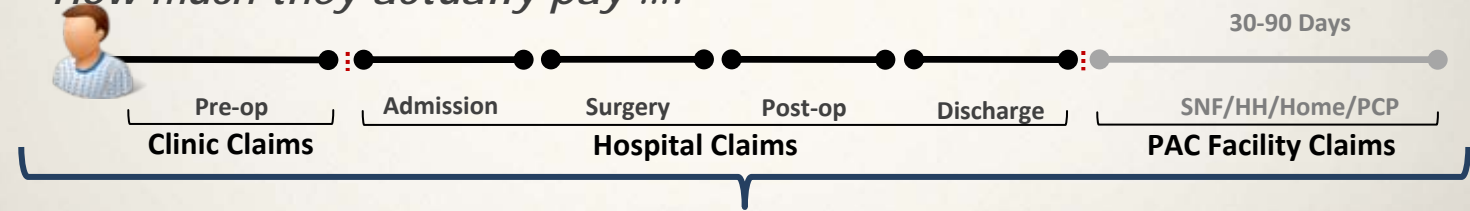


How much CMS will to pay...



CMS Historical Payment with 2% decrease to create Target payment

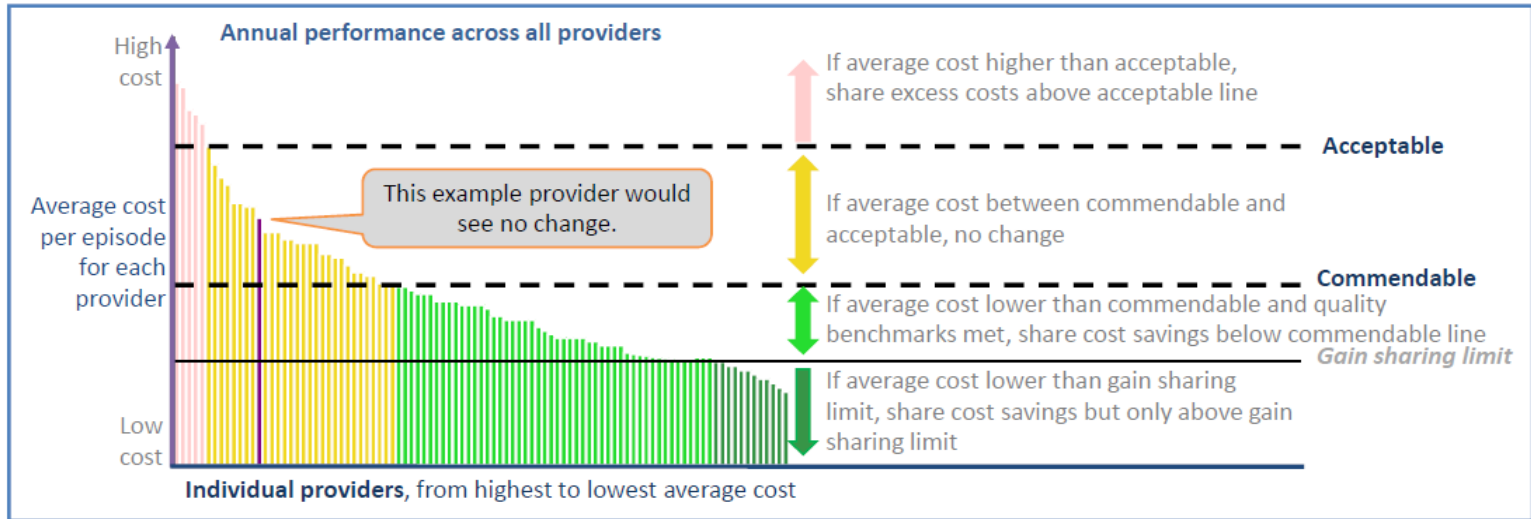
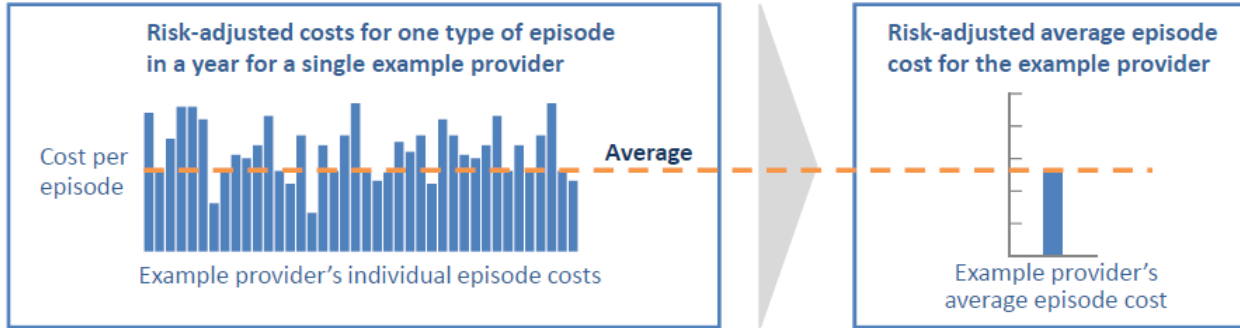
How much they actually pay



CMS Actual Payment to All Facilities

*Target Payment > Actual Payment = hospital gets
Target Payment < Actual Payment = hospital pays*

TennCare Episodes of Care Program



Current Episodes of Care in TN



VUMC Episodes Landscape

Mandated

- TennCare
 - Perinatal
 - Asthma*
 - Total Joint
 - Colonoscopy
 - Non Acute/ Acute PCI
 - Cholecystectomy
 - COPD**
- CMS
 - Total Joint (CCJR)

Voluntary

- CMS (BPCI)
 - Valve Surgery*
 - Total Joint*
 - Stroke**
- Oncology Care Model**

Created/ Internal work

- Internal
 - Pneumonia*
 - Spine Surgery*
 - PCI**
 - CHF**
 - Neonatal**
 - CABG**
 - GI Surgery**

75 Episodes of Care through 2019

Wave 1- Baseline 2015 (performance start 1/2015)

Perinatal
Asthma
Total Joint

Wave 2- Baseline 2014(performance start 1/2016)

Colonoscopy
Non Acute / Acute PCI
Cholecystectomy
COPD

Wave 3- Baseline 2015 (performance start 1/2017)

Kidney infection
GI hemorrhage
Simple pneumonia
URI
Upper GI endoscopy
UTI

Wave 4- Baseline 2015 (performance start 1/2017)

Cardiac valve
CABG
ODD
CHF acute exacerbation
ADHD (multiple)

Wave 5- Baseline 2016 (performance start 1/2018)

Breast biopsy
PTSD
Anxiety
Otitis/ Tonsillectomy
Breast cancer (multiple)

Wave 6- Baseline 2016 (performance start 1/2018)

Bronchiolitis & RSV pneumonia
Hepatitis C
HIV
Neonatal Part I (multiple)
Neonatal Part II (multiple)
Cellulitis & bacterial skin infection

Wave 7- 2017

Knee arthroscopy
Hip/Pelvic fracture
Lumbar laminectomy
Spinal fusion exc. cervical
Diabetes acute exacerbation
Schizophrenia (multiple)
Medical non-infectious orthopedic

Wave 8-2017

Pacemaker/Defibrillator
Sickle cell
Cardiac arrhythmia
Hernia procedures
Coronary artery disease & angina
Colon cancer
Anal procedures
Hemophilia & other coag. disorders

Wave 9-2018

Bariatric surgery
Other major bowel (multiple)
Female reproductive cancer
Lung cancer (multiple)
Major Depression
Mild/Moderate Depression

Wave 10- 2018

Drug dependence
GERD acute exacerbation
Pancreatitis
Hepatobiliary & pancreatic cancer
Renal failure
Fluid electrolyte imbalance
GI obstruction
Rheumatoid arthritis

Wave 11- 2019

Dermatitis/Urticaria
Kidney & urinary tract stones
Other respiratory infection
Epileptic seizure
Hypotension/Syncope
Bipolar (multiple)
Conduct disorder

Managing different Model Elements

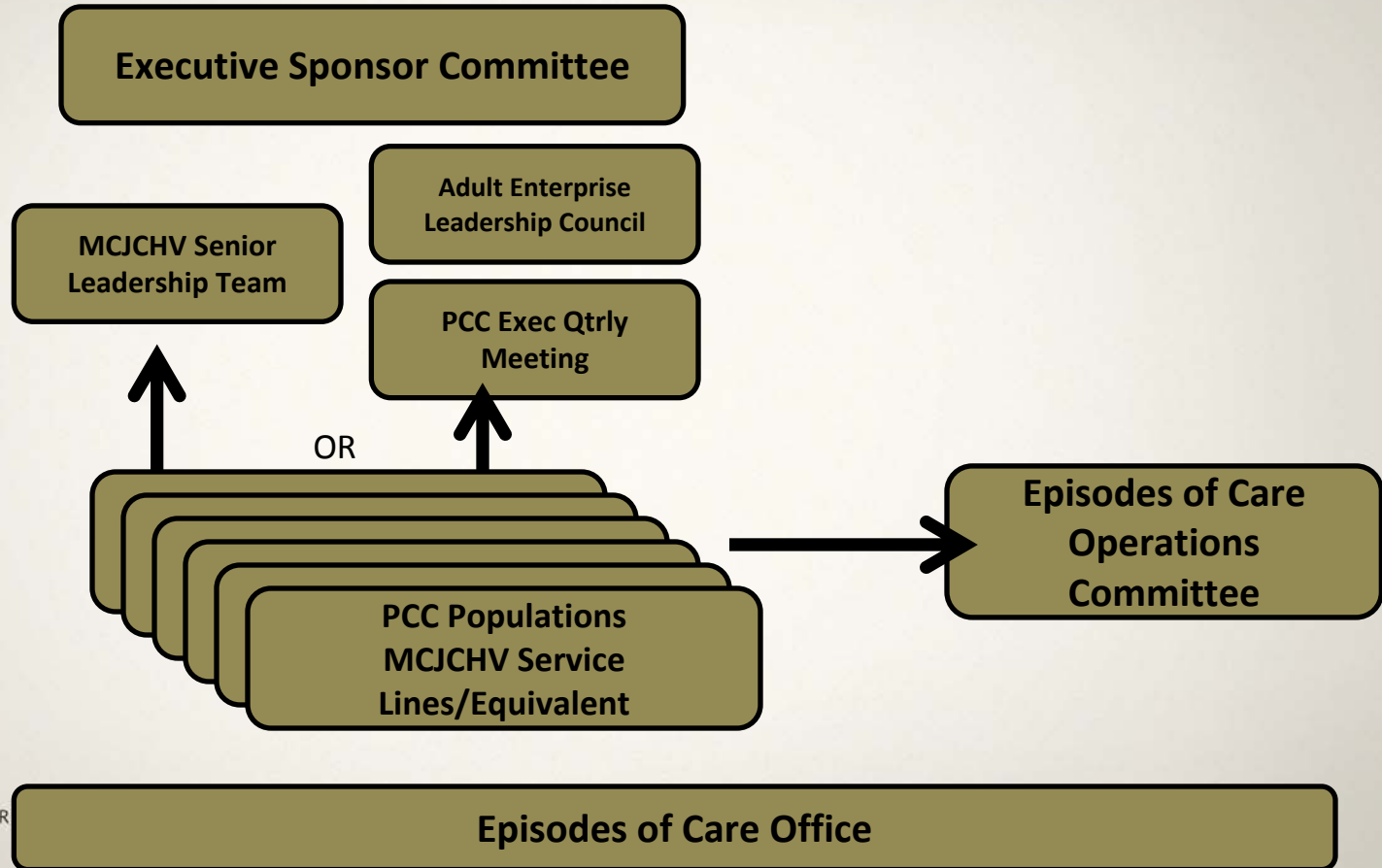
Elements	TennCare	CMS-BPCI	Internal
Program Duration	Rolling Wave implementations through 2011	3 Yrs. (11/1/15-9/30-/18)	Per Negotiated Contract
Baseline Period	Baseline Yr previous to Performance Yr	Fixed	EPSi Data FY 2014 forward
Primary Accountable Provider (PAP)	Either Hospital OR primary physician	Hospital	Hospital
Episode Trigger	Defined by ICD-9s or CPTs	Defined by DRGs	Defined internally by PCC and Episodes of Care Team
Post-Trigger Window	Varies (30-90 days)	90 Days Post-Discharge	Identified by PCC and Episodes of Care Team
Quality Metrics	Defined by Episode	Administrative claims	National benchmarks for population or defined internally if benchmarks are unavailable
Target Price Factors	Upper Threshold set by TennCare Lower Threshold set by individual MCOs	Determined by Historical Hospital-Specific Data (Updated 4x/Yr. w/Trend Factors)	Based on historical payments, internal margins and market position data for like services within the region
Discount Factor	MCOs apply individual risk adjustment	Yr. 1-3 = 2%	Negotiated with individual payers
Risk	50% shared savings/ risk over thresholds	Retrospective, Two-sided w/Repayment Starting in Yr. 1.	Per negotiated contract
Payment	FFS w/ Reconciliation once for each CY	FFS w/Reconciliation 4x/Yr.	Single prospective payment with allocated distribution from hospital
Data	PDF report per MCO	Episode Claims 12x/Yr.	Currently Internal Data only

HOW DO WE RESPOND AND PREPARE?

Structure and Standardization

- Governance structure with centralized support
- Population prioritization tool
- Playbook for clinical redesign efforts
 - Lean tools, PDSA, Driver Diagrams
- Standardized analytics tool
- Standardize process for pricing populations
- Approval for proactive efforts

Episode of Care Governance Structure



Roles and Responsibilities work

CEO Team

Accountable for prioritizing populations, Initiating Teams, Holding PCCs accountable for work, Removing barriers for successful implementation

Chairs

Responsible for initiating teams, Holding PCC accountable;
Consulted during Population identification prioritization

PCC MD/ ANO/ AOO

Accountable and Responsible for mobilizing teams, Identifying Opportunities for Improvement, Developing Interventions, Assigning Leads, Testing Interventions, Hardwiring

MD Content Expert

Responsible for Identifying opportunities and Developing Interventions

PCC Staff and Faculty

Consulted for Identification of opportunities and Developing Interventions;
Responsible for Testing Interventions and Hardwiring

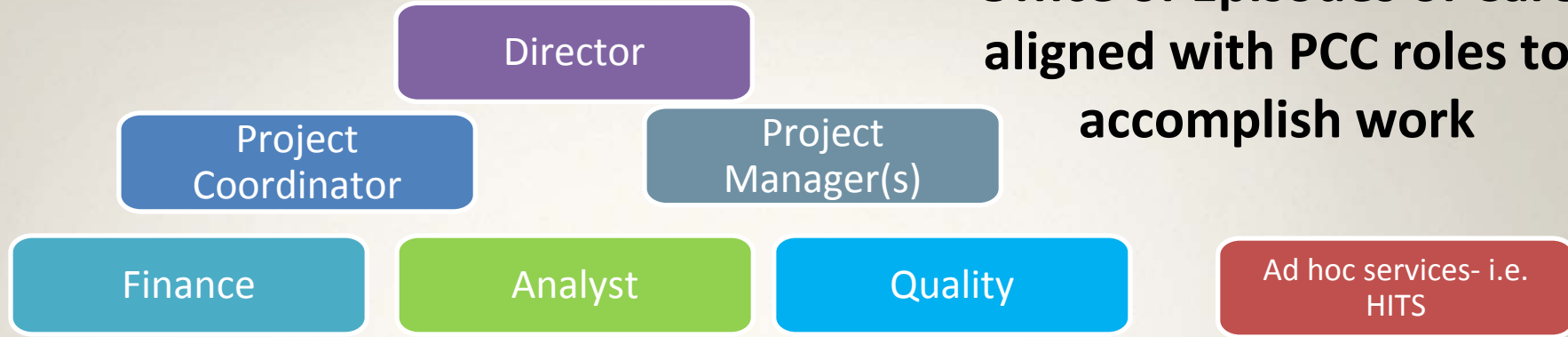
PCC Support Team-
Quality, Analyst, Finance

Responsible for Identifying Opportunities for Improvement through data, Developing Interventions, Testing Interventions, and Hardwiring

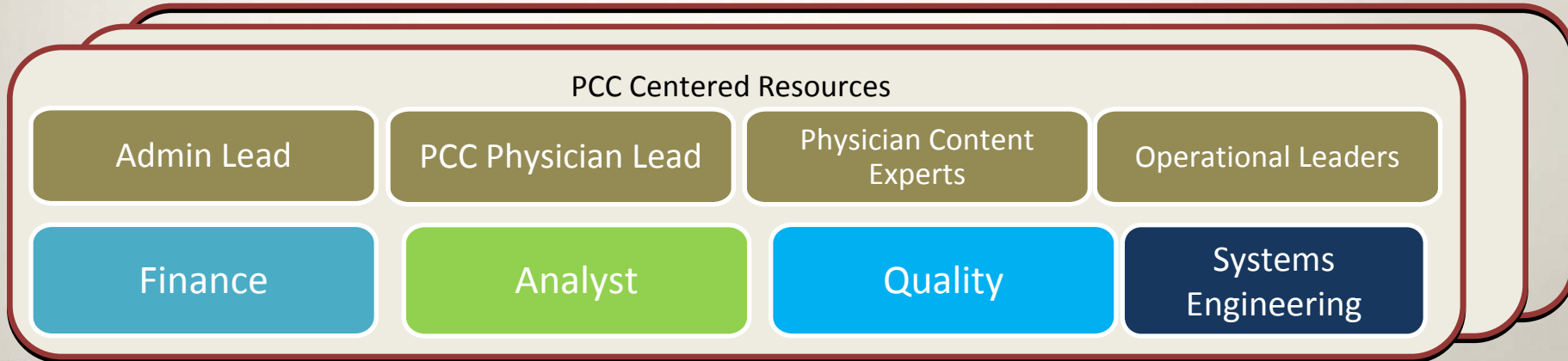
Episodes of Care Team

Accountable and Responsible for supporting work through analysis of populations and opportunities, facilitating team through work ; **Consulted** for Identifying Opportunities for Improvement, Developing Interventions, Testing Interventions

Office of Episodes of Care aligned with PCC roles to accomplish work



PCC Centered Resources

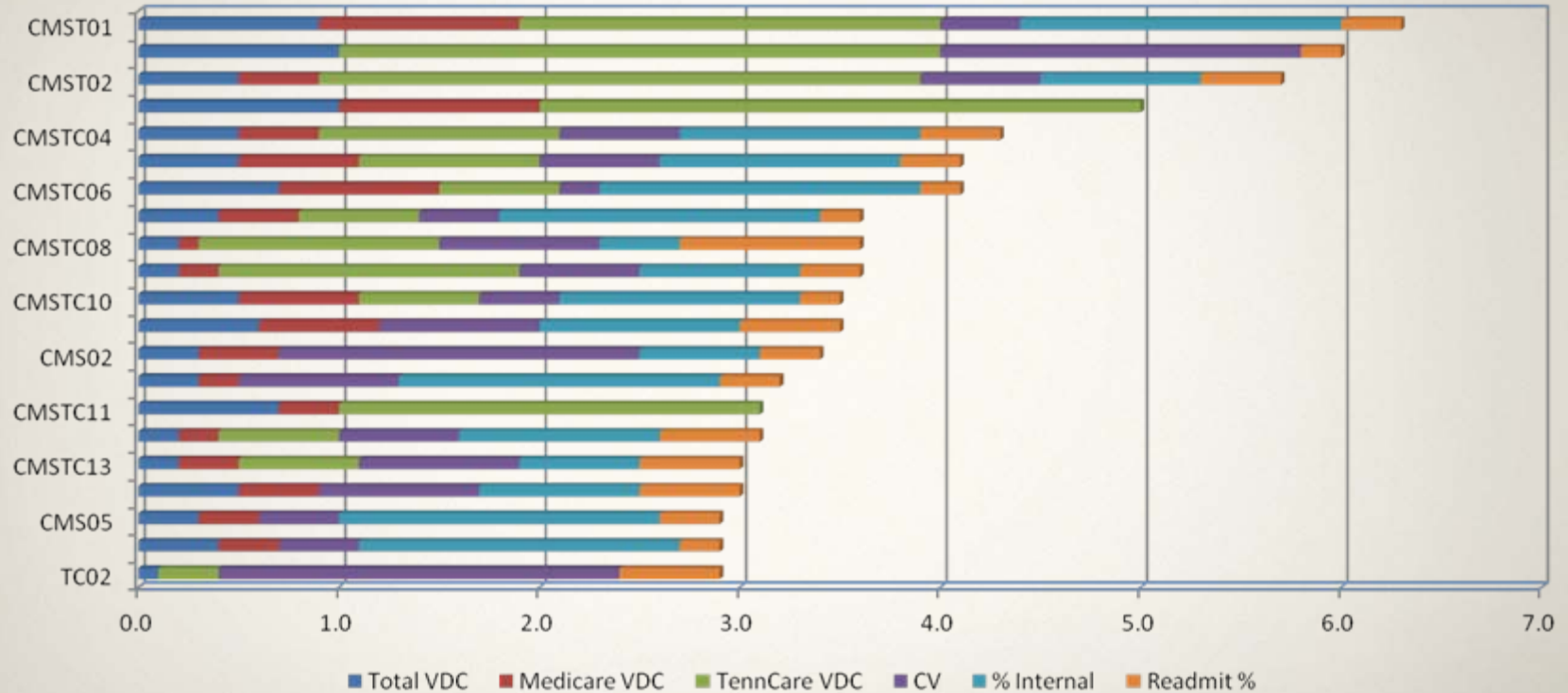


Bundles Prioritization – Scoring Tool

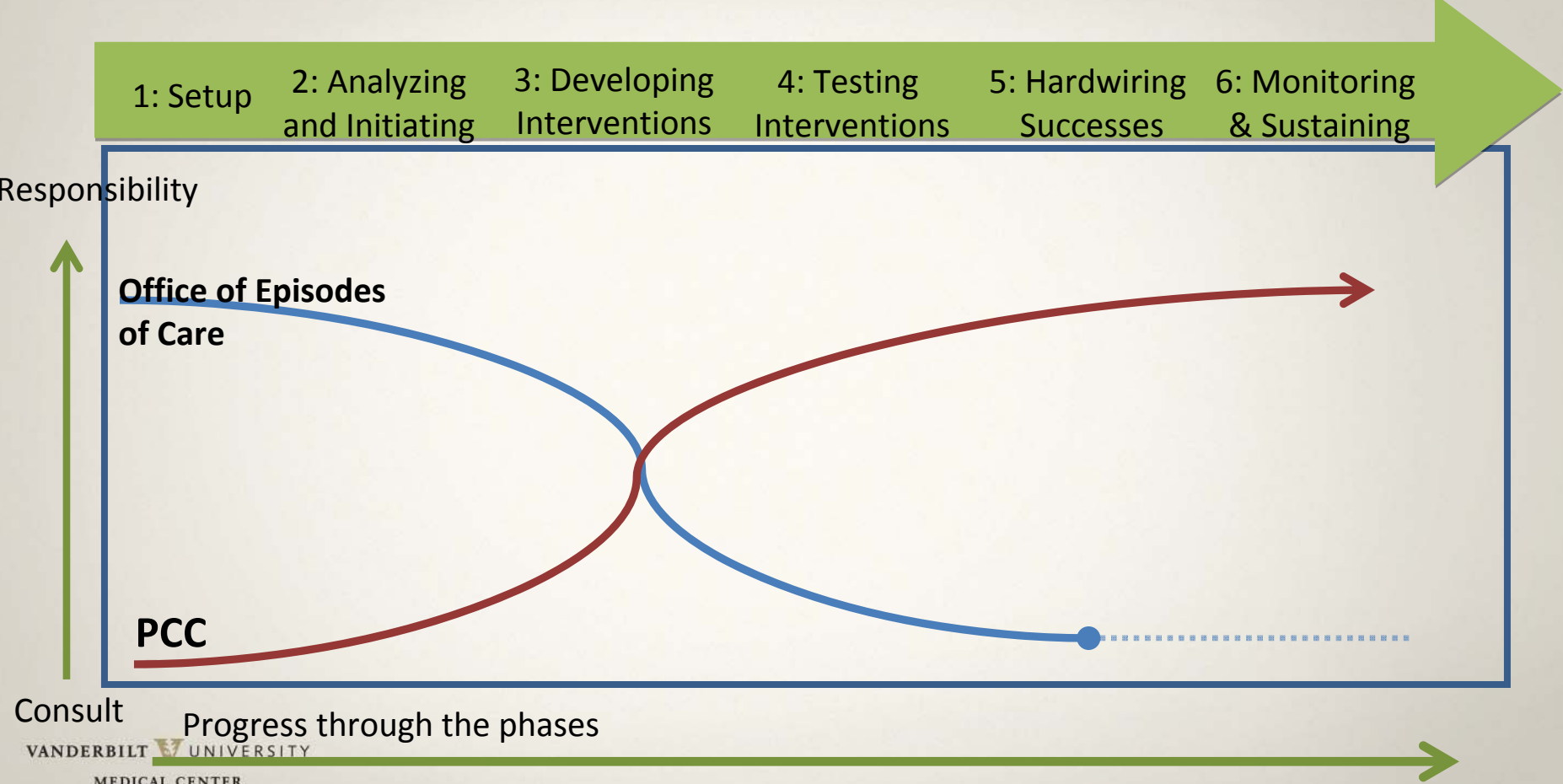
- Objective: Prioritize episodes of care for focused analysis and performance improvement initiatives.
- The tool utilizes the CMS structure as the baseline, matches anticipated TennCare episodes and considers other high cost DRGs.

Variable	Scoring Weight
Medicare Variable Direct Cost (for applicable episodes)	10%
TennCare Variable Direct Cost (for applicable episodes)	30%
Total Variable Direct Cost	10%
Coefficient of Variation (case mix adjusted – all cases)	20%
% Inpatient (per Medicare claims analysis, as available)	20%
Readmit % (30-day All Cause)	10%
	100%

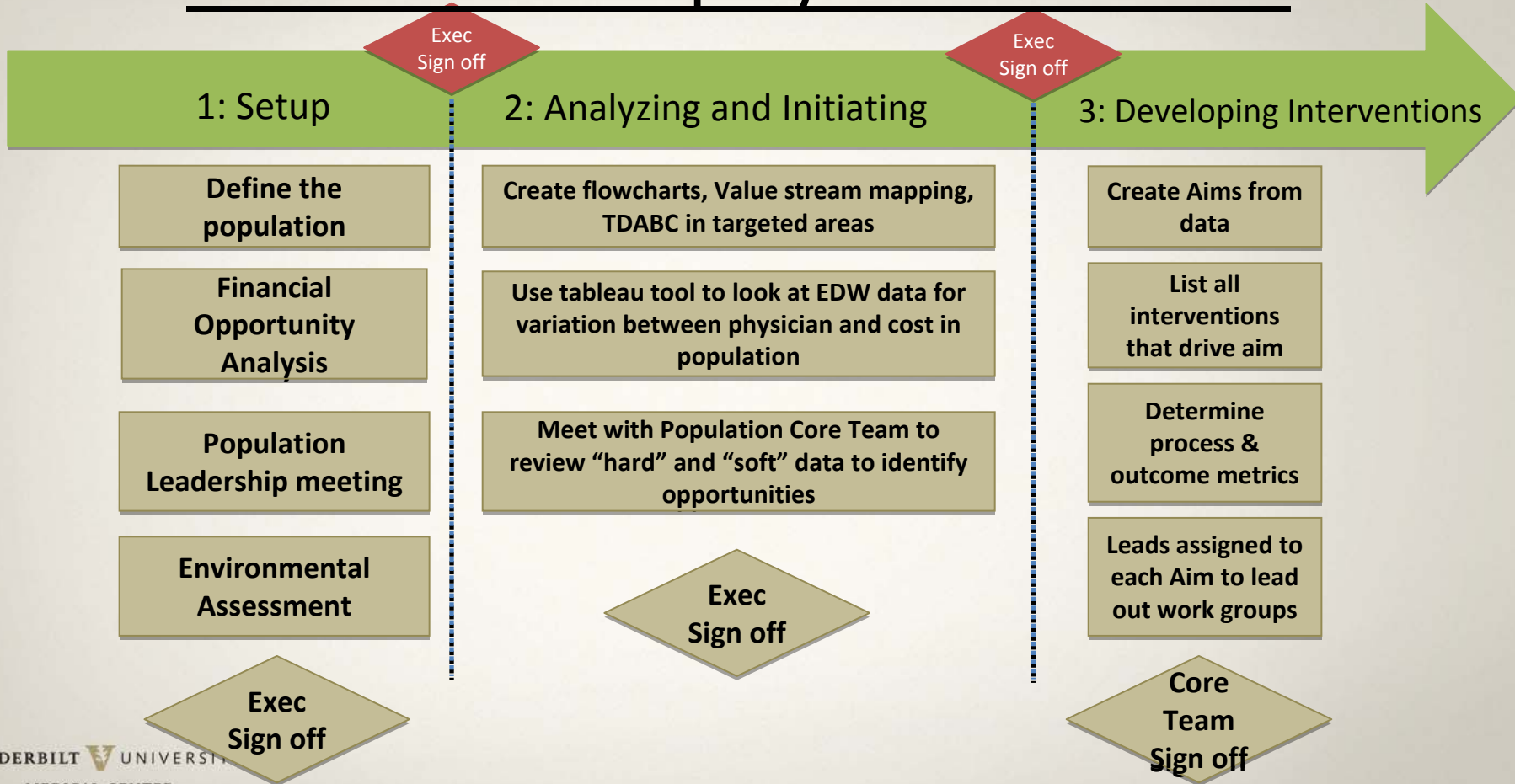
Scoring Results – Top 20 Episodes



Shifting Responsibilities through the Phases of the Playbook



What does the playbook contain?



What does the playbook contain?

4: Testing Interventions

Identify intervention to test in PDSA iterative cycle

Measure identified process metrics for desired effect

Report out progress/changes; recognize success

5: Hardwiring Success

Spread Interventions that give desired effect based on data

Continue measuring process measures; add outcome measures

Create electronic tools for clinical support

Publish data on an ongoing reporting tool

6: Monitoring and Sustaining

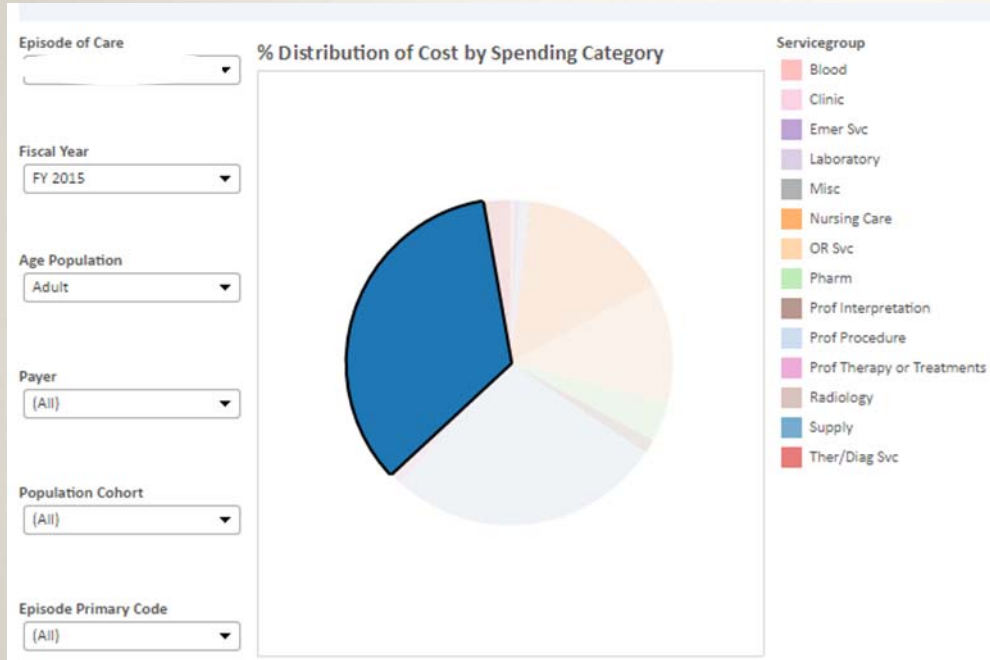
Identify owners of process in each phase to review data

Determine “alerts” for review

Set up regular meetings for key members for report out on “hard” and “soft” data

Cycle back to phase 4 or 5 if issues are identified

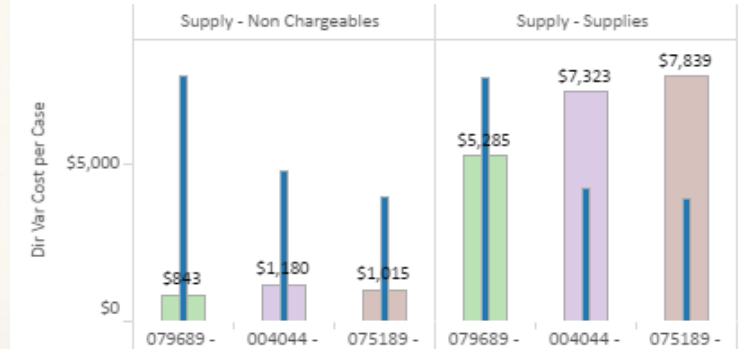
Analytics tool: Drill down by Physician



Cost per Case by Day Type for Supply Spending Category

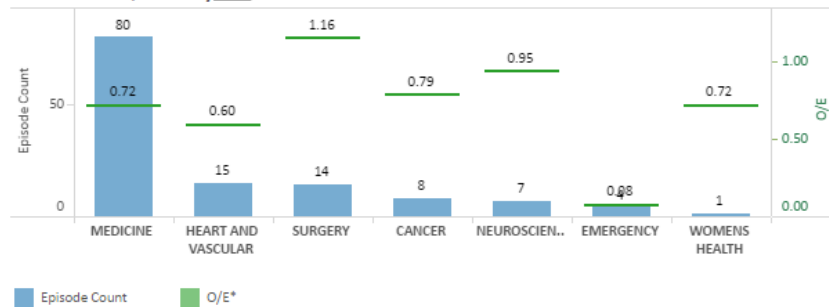
Subservicegroup	Episode Count	Dir Var Cost per Case
Supply - Supplies	620	\$6,244
Supply - Non Chargeables	693	\$1,021
Grand Total	698	\$6,560

Variability on Direct Cost per Case for Top 3 Providers in Supply Spending Category



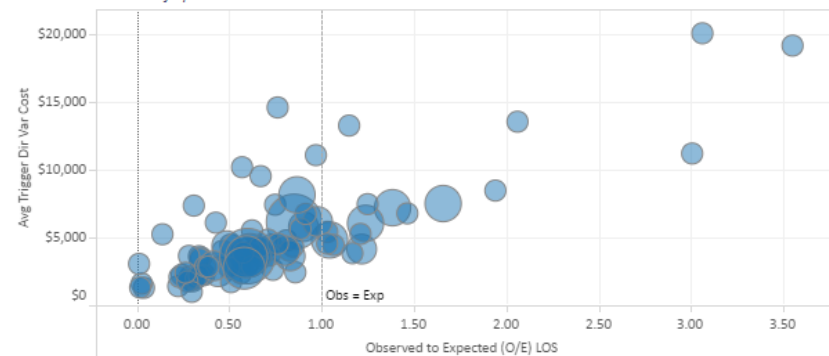
Team drill down to show variation

Volume and O/E LOS by PCC



Distribution of Direct Variable Cost per Case and Observed to Expected LOS by Team

Size indicates count of episodes



Avg Cost per Episode, LOS and Readmit Rate by PCC

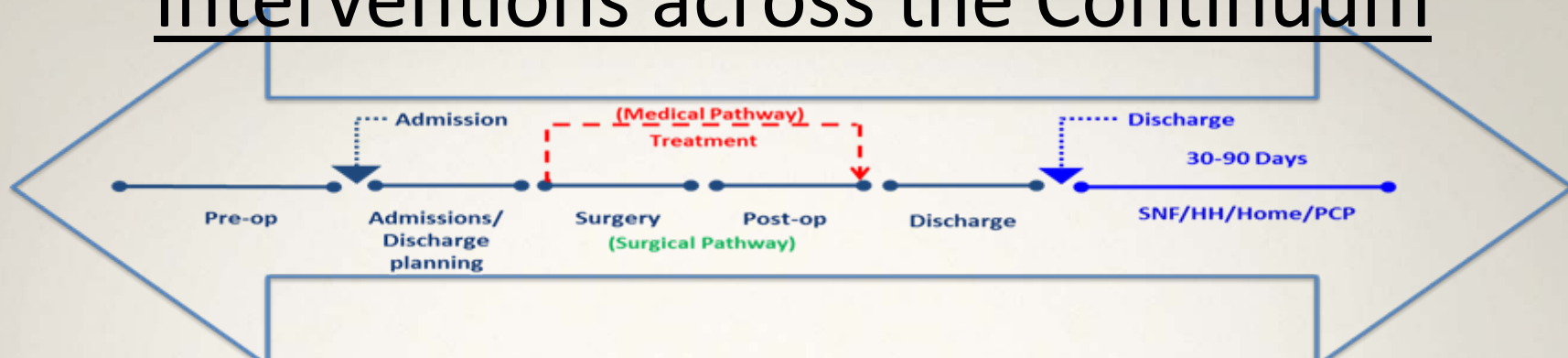
	Episode Count	% of All Episodes	Trigger Avg LOS*	O/E*	Readmit Rate
MEDICINE	80	62.0%	3.1	0.72	11.3%
CANCER	8	6.2%	3.2	0.79	12.5%
SURGERY	14	10.9%	5.0	1.16	14.3%
HEART AND VASCULAR	15	11.6%	2.5	0.60	6.7%
NEUROSCIENCES	7	5.4%	3.5	0.95	0.0%
EMERGENCY	4	3.1%	0.3	0.08	0.0%

* Length of Stay is calculated for inpatients only (this metric is under development for the Asthma episode)

Avg Cost per Episode, LOS and Readmit Rate by Top 15 Providers per Team

Select Unit, Team or Provider	Episode Count	% of All Episodes	Trigger Avg LOS*	O/E*	Readmit Rate
Rogers Pulmonary A	32	24.8%	3.4	0.76	6.3%
Geriatrics 2	10	7.8%	2.8	0.70	0.0%
Riven Hm 5	8	6.2%	2.4	0.64	0.0%
Morgan 1	7	5.4%	3.5	0.95	0.0%
Morgan 4	6	4.7%	2.9	0.64	16.7%
Riven Hm 2	6	4.7%	3.9	0.81	16.7%
Riven Hm 4	5	3.9%	3.3	0.96	0.0%

Interventions across the Continuum



Elective

Current Inpatient

Transfer

Care Coordination

Risk Assessment **Personalized Plan of Care**

Inpatient Utilization Management

Post Acute Care Management

Discharge Planning

Patient Engagement

Post Acute Care Relationships


- Joint Councils/ Quality council
- Affiliations
- Standard quality measures

Outcomes to date

- Decreased Direct Variable Cost by \$250k in 3 populations
- Decreased Total Joint LOS by 19% (3.5 to 2.8 days)
- Decreased Total Joint SNF utilization from 22% to 14%
- Decreased Valve Surgery Readmissions from 50% to 30%
- Dropped the Valve Surgery BPCI total episode cost ratio to 0.83 with post acute care ratio to 0.55
- Patient satisfaction up in Ortho, Nuero, and Cardiology, the areas of CMS at risk bundles

Current Population Status

1: Setup 2: Analyzing and Initiating 3: Developing Interventions 4: Testing Interventions 5: Hardwiring Successes 6: Monitoring & Sustaining



Population	Playbook phase	Cost	Quality	External Drivers
Asthma	Performance	✓	✓	TennCare- Wave 1
Perinatal	Performance	✓	✓	TennCare- Wave 1
Ortho- Total Joint	Performance	⊖	✓	TennCare; BPCI Oct 2015
Spine Surgery	Performance	✗	✓	Internal
Pneumonia	Performance	✓	✗	Internal
Stroke	Intervention	✓	✗	BPCI Oct 2015
PCI	Intervention	✓	✓	TennCare Wave2; Internal
COPD	Intervention	✗	✓	TennCare Wave 2; Internal
CHF	Baseline			TennCare Wave 4; Internal
Oncology	Baseline			CMS application

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