

Examining BPCI Advanced: How Have We “Advanced” Since the Original Models

L. Daniel Muldoon, MA
Pamela M. Pelizzari, MPH

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Presenters

L. Daniel Muldoon, MA

Healthcare Consultant, Milliman New York

Daniel.Muldoon@milliman.com

Formerly Technical Advisor and Payment Methodology Lead, Center for Medicare and Medicaid Innovation (2014 – 2017)

- Bundled Payments for Care Improvement
- Oncology Care Model
- Comprehensive Care for Joint Replacement Model
- Other episode payment models

Pamela M. Pelizzari, MPH

Senior Healthcare Consultant, Milliman New York

Pamela.Pelizzari@Milliman.com

Formerly Senior Technical Advisor and Model Lead, Center for Medicare and Medicaid Innovation (2011 – 2014)

- Bundled Payments for Care Improvement
- Oncology Care Model
- Other specialty physician models as yet unannounced / never implemented

Agenda

- Overview on value-based payments and Medicare use of bundled payments
- Comparison of Bundled Payments for Care Improvement (BPCI) Original, Comprehensive Care for Joint Replacement (CJR) model, and BPCI Advanced
- Opportunities in BPCI Advanced

Overview

Focusing in on Value-Based Payments and
Medicare Bundled Payments

What is a Value-Based Model?

A value-based payment model is any model that ties payment to the **value** of the services provided to members, instead of just the **quantity** of services.

Examples of value-based (or 'alternative') payment models

Accountable
Care
Organizations
(ACOs)

Bundled
Payments

Patient-
Centered
Medical Homes

Pay-for-
Performance

What is a Bundled Payment?

A bundled payment arrangement assigns a **fixed per-patient price** to a collection of **temporally or clinically related services** that may have **variable utilization** across patients

Why should we care?



Source: Centers for Medicare & Medicaid Services

...because bundled payments have been popular

Centers for Medicare and Medicaid Services (CMS) Use of Bundled Payments

- Initial steps: packaging of multiple services
 - Prospective payment systems (IPPS, OPPS)
 - Surgical global payments
- Early demonstration projects
 - 1991: Medicare Participating Heart Bypass Center Demonstration
 - 2010: Acute Care Episode Demonstration (cardiac and orthopedic)
- Large scale model tests
 - 2013: Bundled Payments for Care Improvement (BPCI) models
 - 2016: Oncology Care Model (OCM)
 - 2016: Comprehensive Care for Joint Replacement (CJR) model
 - First **mandatory** model, beyond packaging of services in the ongoing Medicare fee schedules
 - 2017: Episode Payment Models (EPMs)
 - **2018: BPCI Advanced**

Comparison

How do BPCI Original, CJR, and BPCI Advanced differ?

Cross-Model Comparison

Episode Construction

	BPCI Original	CJR	BPCI Advanced
Voluntary or Mandatory?	Voluntary	Mandatory in 34 MSAs, Voluntary in 33 MSAs (formerly all mandatory)	Voluntary
Beneficiaries included			
Eligible episode initiators			
Episode types			
Episode length			
Exclusions			
QPP implications			

Cross-Model Comparison

Episode Construction

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Eligible episode initiators	ACH, PGP, and post-acute facilities	ACH	ACH and PGP
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Cross-Model Comparison

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Episode types	48 inpatient episodes	1 inpatient episode	29 inpatient and 3 outpatient episodes
Episode length			
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QPP implications			

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Episode length	Acute + 30, 60, or 90 days post-acute or post-acute only	Acute + 90 days post-acute	Acute + 90 days post-acute
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Cross-Model Comparison

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Exclusions	Minimal service-level exclusions		
QPP implications	Neither Advanced nor MIPS APM	Optionally Advanced and MIPS APM	Advanced and MIPS APM

Cross-Model Comparison

Payment, Target Pricing and Risk

	BPCI Original	CJR	BPCI Advanced
Retrospective or Prospective?		Retrospective	
Risk Tracks			
Target Price: Timing			
Target Price: Comparison Population			
Target Price: Historical Period			
Target Price: Level of Price-Setting			

Cross-Model Comparison

Payment, Target Pricing and Risk

	BPCI Original	CJR	BPCI Advanced
Retrospective or Prospective?		Retrospective	
Risk Tracks	3		1
Target Price: Timing			
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Cross-Model Comparison

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Target Price: Timing	Retrospective	Prospective	Prospective with adjustments for patient case mix and peer group characteristics

Target Price:
Comparison
Population

Target Price:
Historical Period

Target Price: Level of
Price-Setting

Cross-Model Comparison

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Target Price: Comparison Population	Episode initiator's own history	Episode initiator's own history weighted with region	Episode initiator's own history adjusted based on peer group
Target Price: Historical Period			
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Cross-Model Comparison

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Target Price: Level of Price-Setting			

Cross-Model Comparison

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Target Price: Level of Price-Setting	MS-DRG level	MS-DRG and fracture status	Episode level, adjusted for patient case mix

Implications of the BPCI Advanced ‘Advancements’

- **Outpatient episodes**

- Depending on the setting, may be minimal opportunity given low post-acute utilization for outpatient surgeries

- **Risk**

- Single risk track; episode spending capped at the 1st/99th percentile of national spending by MS-DRG

- **Target price setting**

- More complicated model, harder for prospective participants to understand
- More opportunity for different types of providers, such as those who were historically efficient
- Better idea of target prices up front, instead of only retrospectively

- **Participants**

- Only **acute care hospitals** and **PGPs** can initiate episodes

- **MACRA benefits**

- Qualifies as both an **advanced APM** and a **MIPS APM** under MACRA

Identifying Opportunities in BPCI Advanced

Model timeline



In addition to the planned 10/1/2018 model start, CMS anticipates there will be a second application period for Model Year 2020. They indicate that they believe that 1/1/2020 will be the only available subsequent enrolment date.

Types of Opportunity in BPCI Advanced

- Pricing opportunity
 - Are there any advantages to the BPCI Advanced pricing methodology that will particularly benefit or detriment your organization?
- Utilization opportunity
 - Regardless of how prices are set, are there opportunities for my organization to reduce utilization within BPCI-A episodes?



BPCI Advanced Opportunity Analysis for: Multiple BPCIA Awardees Selected

Falsified Data Transmission: XX/XX/XXXX

[Interface](#) [ReadMe](#)

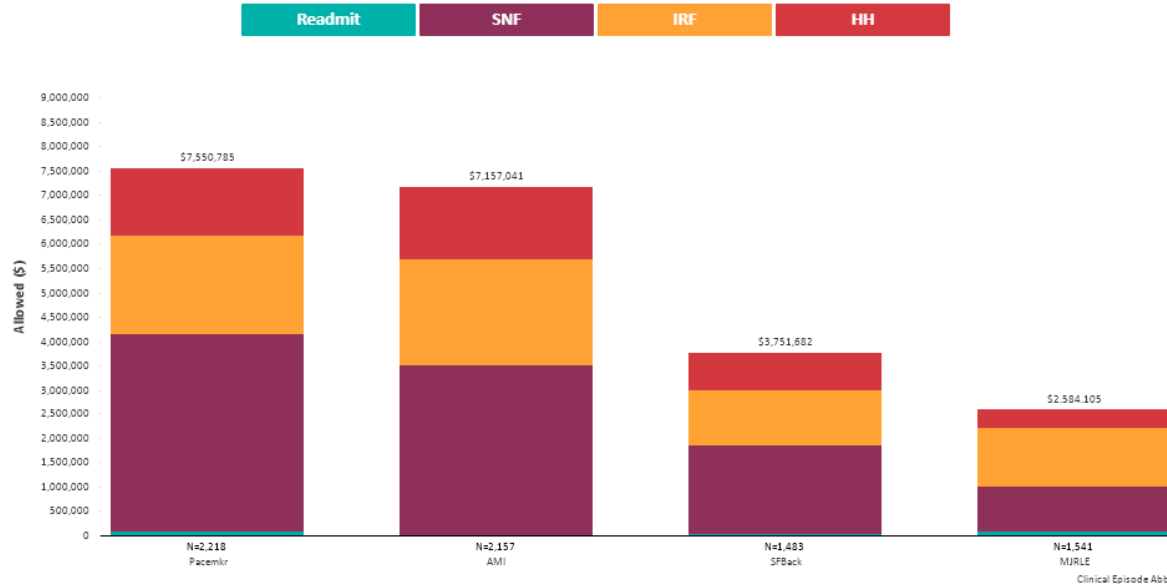
Filter Data

- Month
- Quarter
- Year
- All

Current Selections (0): Nothing selected

Clear All Filters

Post-Acute Savings Opportunity (50% Towards 10th Percentile Best Performing)



Savings Scenarios

Utilization Calculator

7,399 Episodes

Anchor Time Period ▾

Clinical Episode ▾

Episode MS-DRG/HCPCS ▾

Episode Initiator ▾

Anchor CCN

Episode MS-DRG/HCPCS

50% Towards 10th Pctl. Best Performing

100% Towards 10th Pctl. Best Performing

10% Reduction

25% Reduction

Minimum Episode Count

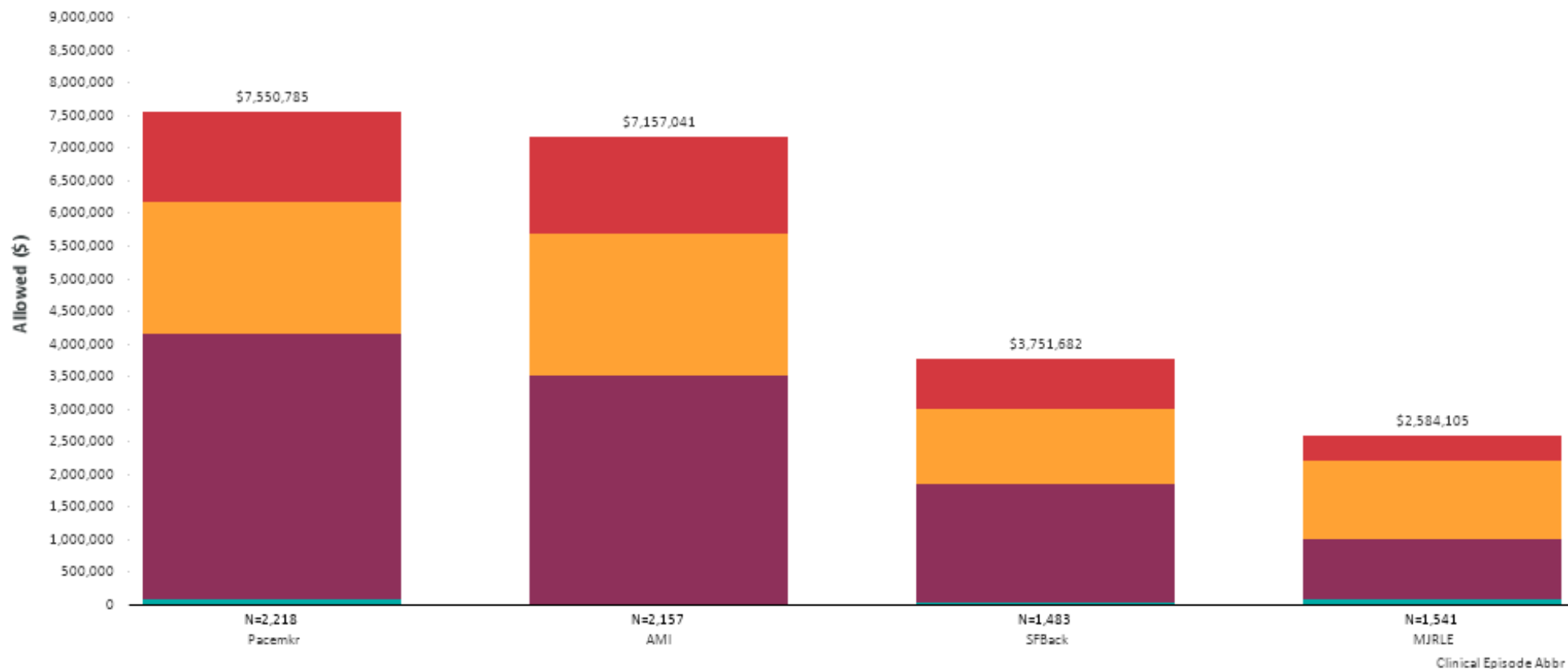
Minimum % Savings

Overall Detail

BPID	Clinical Episode	Total Episode Count	Total Episode Cost	Average Total Episode Cost	Standard Deviation of Total Episode Cost	Coefficient of Variation of Total Episode Cost	Total Post-Acute Cost	Total Savings if Readmit Utilization Moved 50% Towards 10th Pctl.	Total Savings if SNF Utilization Moved 50% Towards 10th Pctl.	Total Savings if IRF Utilization Moved 50% Towards 10th Pctl.	Total Savings if HH Utilization Moved 50% Towards 10th Pctl.	Total Savings if Post-Acute Utilization Moved 50% Towards 10th Pctl.	% of Total Episode Cost Saved if Post-Acute Utilization Moved 50% Towards 10th Pctl.
								\$	\$	\$	\$	%	
11111111	AMI	1,118	\$28,024,902	\$25,067	\$13,294	53.0%	\$12,758,516	\$0	\$1,698,914	\$0	\$998,604	\$2,697,518	9.6%
11111111	Major Joint – Lo...	834	\$20,827,739	\$24,973	\$13,955	55.9%	\$9,638,702	\$37,007	\$489,809	\$12,130	\$327,111	\$866,056	4.2%
11111111	Pacemaker	1,145	\$28,660,158	\$25,031	\$13,773	55.0%	\$13,203,988	\$25,949	\$1,991,110	\$9,762	\$927,932	\$2,954,753	10.3%
11111111	Spinal fusion (n...	775	\$19,691,373	\$25,408	\$13,908	54.7%	\$9,253,498	\$20,229	\$894,074	\$0	\$548,246	\$1,462,549	7.4%
22222222	AMI	565	\$21,900,717	\$38,762	\$17,018	43.9%	\$12,220,239	\$0	\$1,154,905	\$1,872,259	\$218,980	\$3,246,144	14.8%
22222222	Major Joint – Lo...	388	\$14,889,155	\$38,374	\$17,502	45.6%	\$8,196,964	\$38,226	\$285,796	\$1,096,610	\$0	\$1,420,632	9.5%
22222222	Pacemaker	584	\$22,448,072	\$38,438	\$16,707	43.5%	\$12,329,896	\$58,140	\$1,364,075	\$1,818,191	\$190,875	\$3,431,282	15.3%
22222222	Spinal fusion (n...	396	\$15,271,596	\$38,565	\$17,997	46.7%	\$8,281,790	\$0	\$618,845	\$1,108,978	\$79,080	\$1,806,904	11.8%
33333333	AMI	474	\$11,674,824	\$24,630	\$11,406	46.3%	\$5,007,232	\$0	\$652,341	\$288,612	\$272,426	\$1,213,378	10.4%
33333333	Major Joint – Lo...	319	\$7,590,140	\$23,794	\$10,785	45.3%	\$3,054,644	\$4,892	\$133,570	\$90,919	\$68,036	\$297,417	3.9%
33333333	Pacemaker	489	\$11,700,175	\$23,927	\$10,255	42.9%	\$4,858,017	\$0	\$713,320	\$176,501	\$274,929	\$1,164,750	10.0%
33333333	Spinal fusion (n...	312	\$7,751,921	\$24,846	\$10,830	43.6%	\$3,328,242	\$3,679	\$292,227	\$47,874	\$138,449	\$482,229	6.2%
Total		7,399	\$210,430,772	\$28,440	\$15,396	54.1%	\$102,131,727	\$188,122	\$10,288,986	\$6,521,836	\$4,044,668	\$21,043,612	10.0%

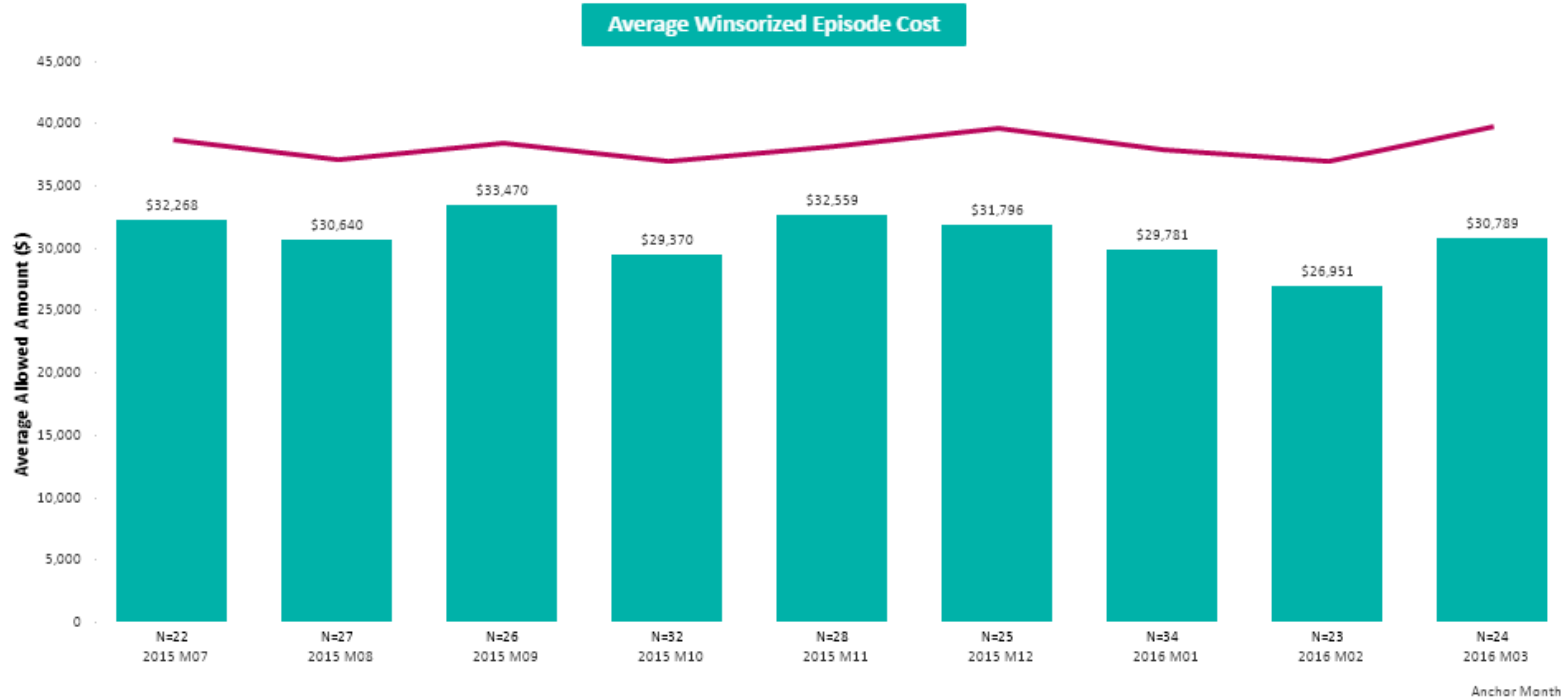


Post-Acute Savings Opportunity (50% Towards 10th Percentile Best Performing)

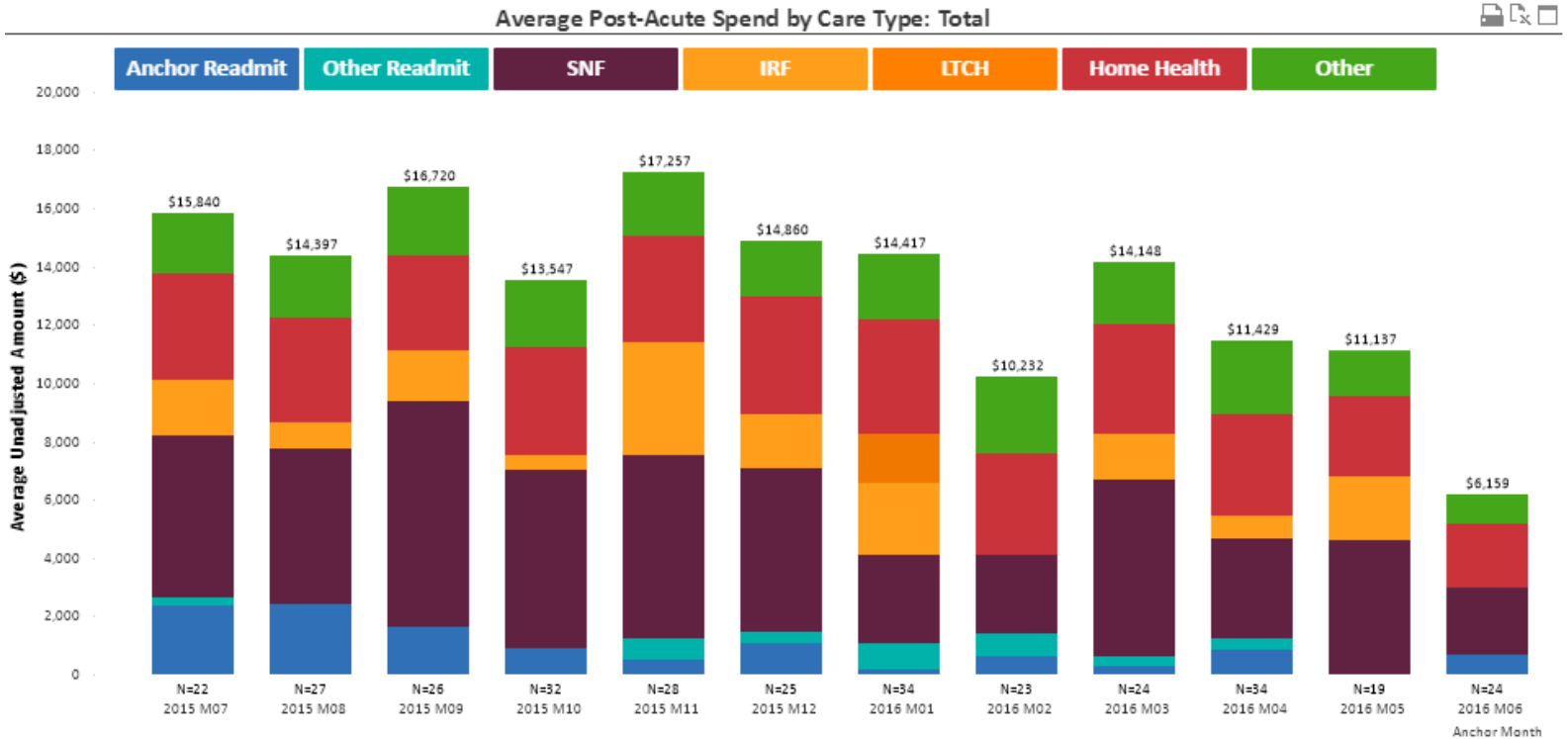


Am I Tracking to Meet My Target?

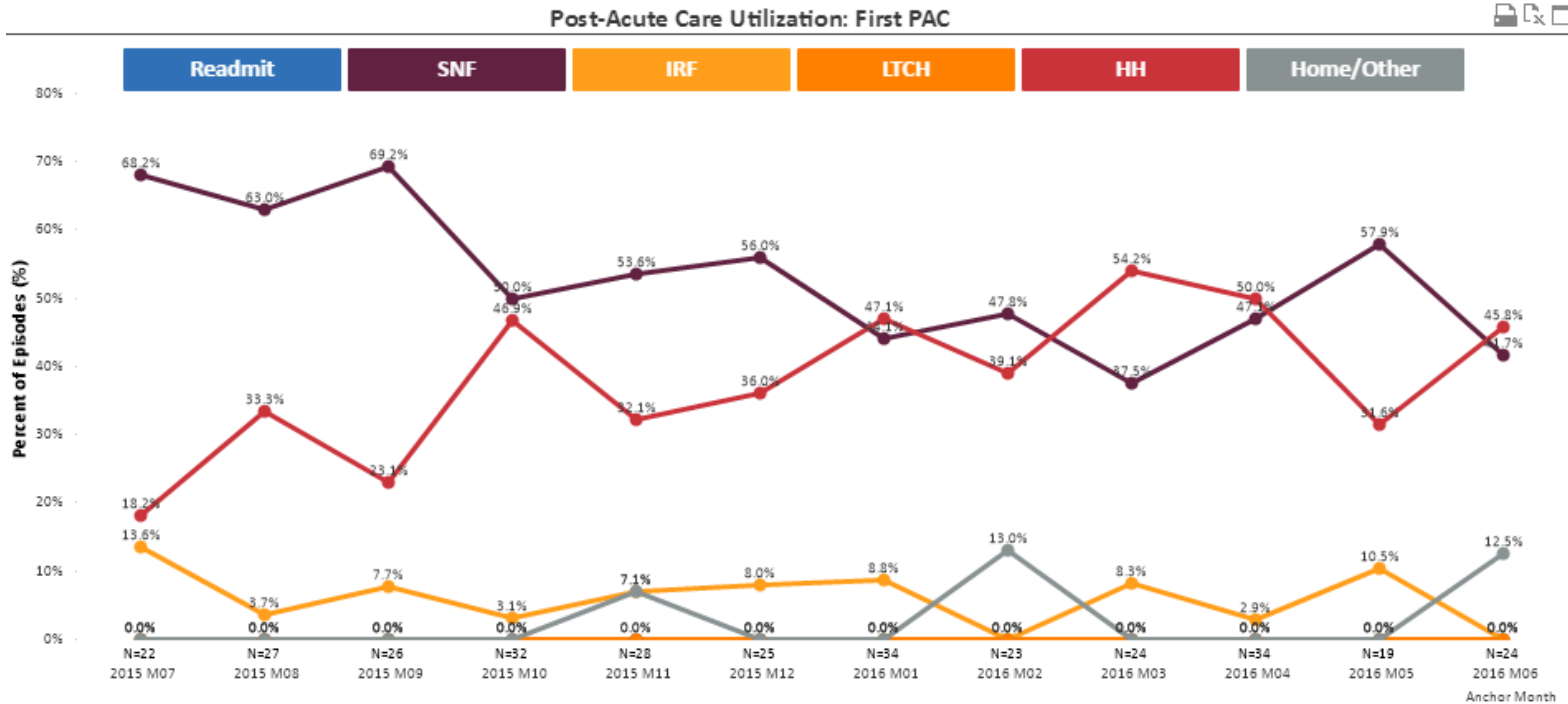
Average Winsorized Episode Cost vs. Estimated Target Price*



What Cost Categories Are Driving Spending?



Where Are Patients Going at Discharge?



Which Post-Acute Facilities Are Most Efficient?

What are the average Medicare expenditures per patient?

How long are patients staying?

What percentage of patients are being readmitted?



Post-Acute Care Facility	Type	Number of Encounters	Average CCN Allowed	Total CCN Allowed	Average LOS / HHA Visits	%Patients Readmitted directly to Hospital from PAC Facility
	SNF	126	\$4,616	\$581,677	8.7	0.8%
	SNF	13	\$10,143	\$131,857	14.8	15.4%
	SNF	11	\$7,268	\$79,946	10.8	18.2%
	SNF	5	\$16,950	\$84,750	24.8	20.0%
	SNF	4	\$7,337	\$29,347	10.5	0.0%
	SNF	4	\$22,084	\$88,336	33.8	25.0%
	SNF	3	\$18,581	\$55,743	34.3	0.0%



Thank you

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