

# Early Results of a Bundled Payment Demonstration

Michael C. Zucker, FACHE  
Senior Vice President  
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# Acute Care Episode (ACE) Demonstration Project

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To determine whether improvements in quality of care can result from the alignment of financial incentives between hospitals and physicians in such a way that they must coordinate care on a case-by-case basis.

# ACE Components



# Example Gainshare Opportunity

DRG 470 – Major Joint Replacement or Reattachment of Lower Extremity  
w/o MCC

710 Medicare Admissions

Medicare Part B Physician Payment = \$1,065,000



# Example Gainshare Opportunity

DRG 470 – Major Joint Replacement or Reattachment of Lower Extremity w/o MCC

Before  
ACE



Surgeon = \$1,200 ( 80%) + \$300 (20% co-pay)

Hospital = \$10,400

Patient = \$ 0

With  
ACE

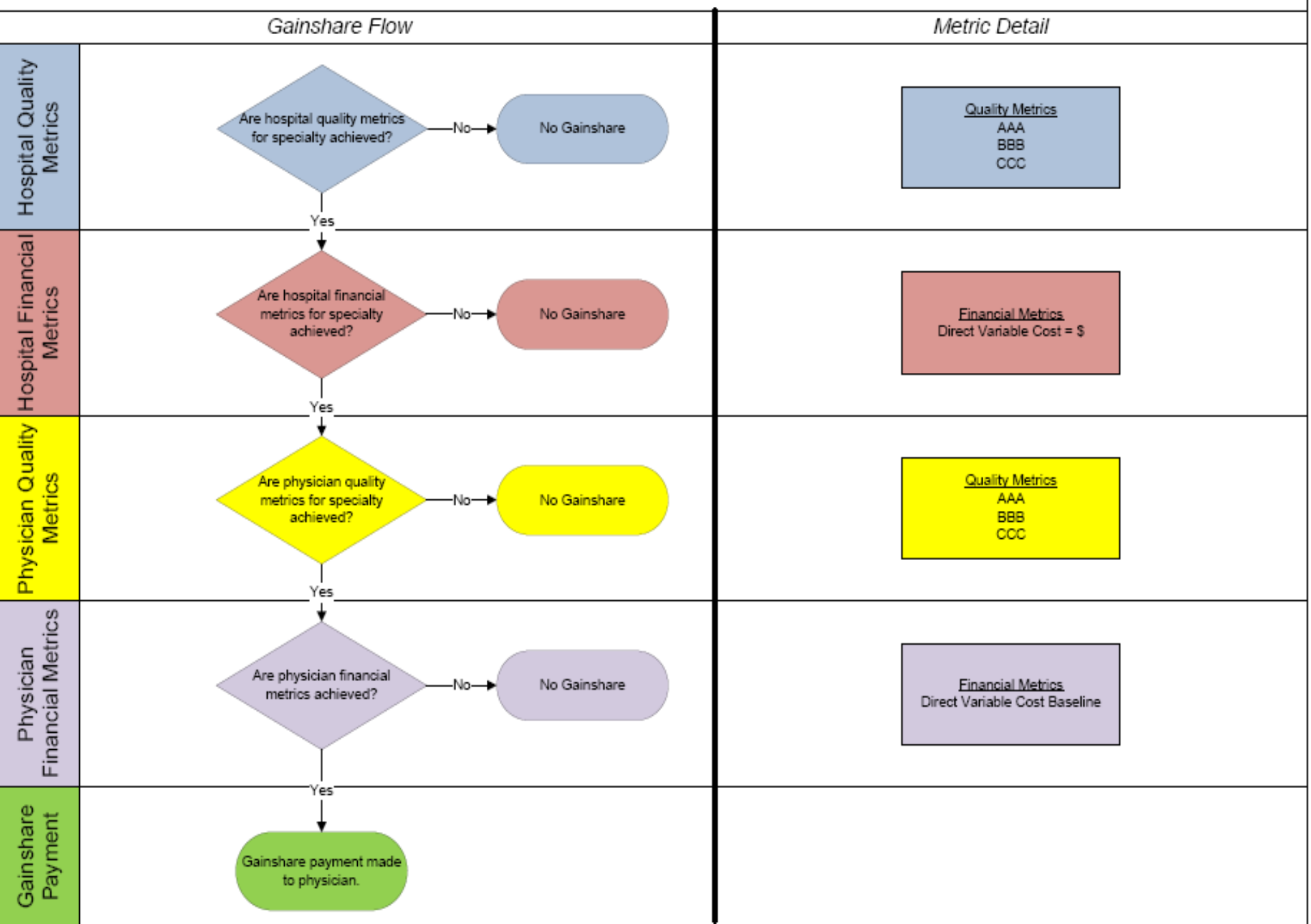


Surgeon = \$1,500

Hospital = \$9,800

Patient = \$300 (up to 50% of CMS savings)

# ACE Gainshare Process



# Quality Improvements

	SCIP 1	SCIP 2	SCIP 3	VTE ordered	Smoking Cessation Ordered
Jun	100%	93%	92%	99%	33%
Jul	100%	100%	98%	93%	50%
Aug	100%	100%	100%	97%	0%
Sept	100%	100%	96%	100%	83%
Oct	100%	98%	96%	99%	100%
Nov	98%	100%	100%	100%	60%

Improvement in orthopedics from 91% overall score in Spring of 2009 to an overall score of 99% in November.

Order set utilization has continued to increase the first six months of the demonstration.



# Our Experience To Date...

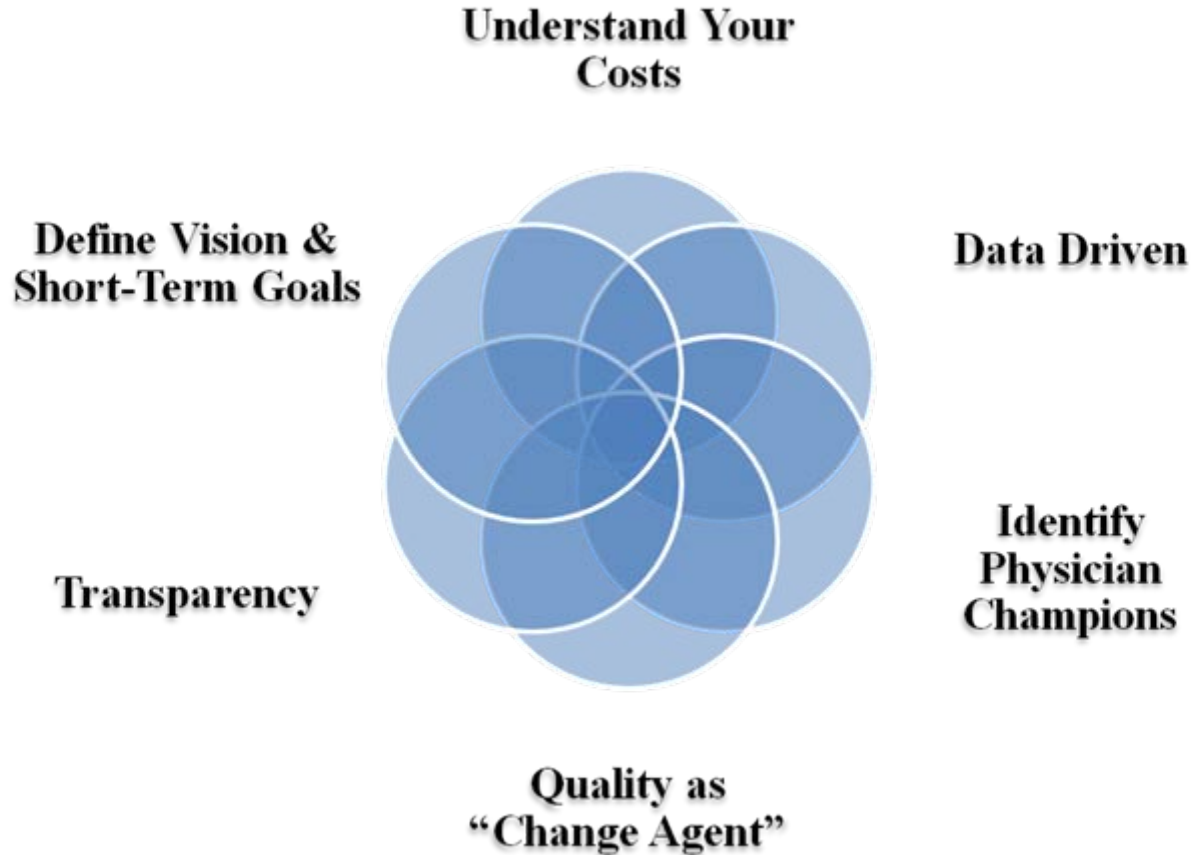
- Immediate Improvements in Quality Measures
- Shift Towards Evidence-Based Practice
- Sooner Than Expected Gainshare Distributions
- Information System “Opportunities”
- Labor Intensive to Administer Program



# Operational Challenges

- Development of Gainshare Criteria
- Data Collection / Analysis (Information Systems)
- Implant and Device Standardization
- Identification and Consensus of Quality Metrics
- Design / Build Infrastructure

# Lessons Learned



# Contact Information

## **Michael C. Zucker, FACHE**

Senior Vice President and  
Chief Development Officer  
Baptist Health System

One Lexington Medical Building  
215 E. Quincy Street, Suite 200  
San Antonio, Texas 78215

[mczucker@baptisthealthsystem.com](mailto:mczucker@baptisthealthsystem.com)

(210) 297-1040