Bundled Payments:

An Opportunity for Hospitals to Develop Post-Acute Services

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Traditional Medicare fee-for-service is transitioning to value-based reimbursement

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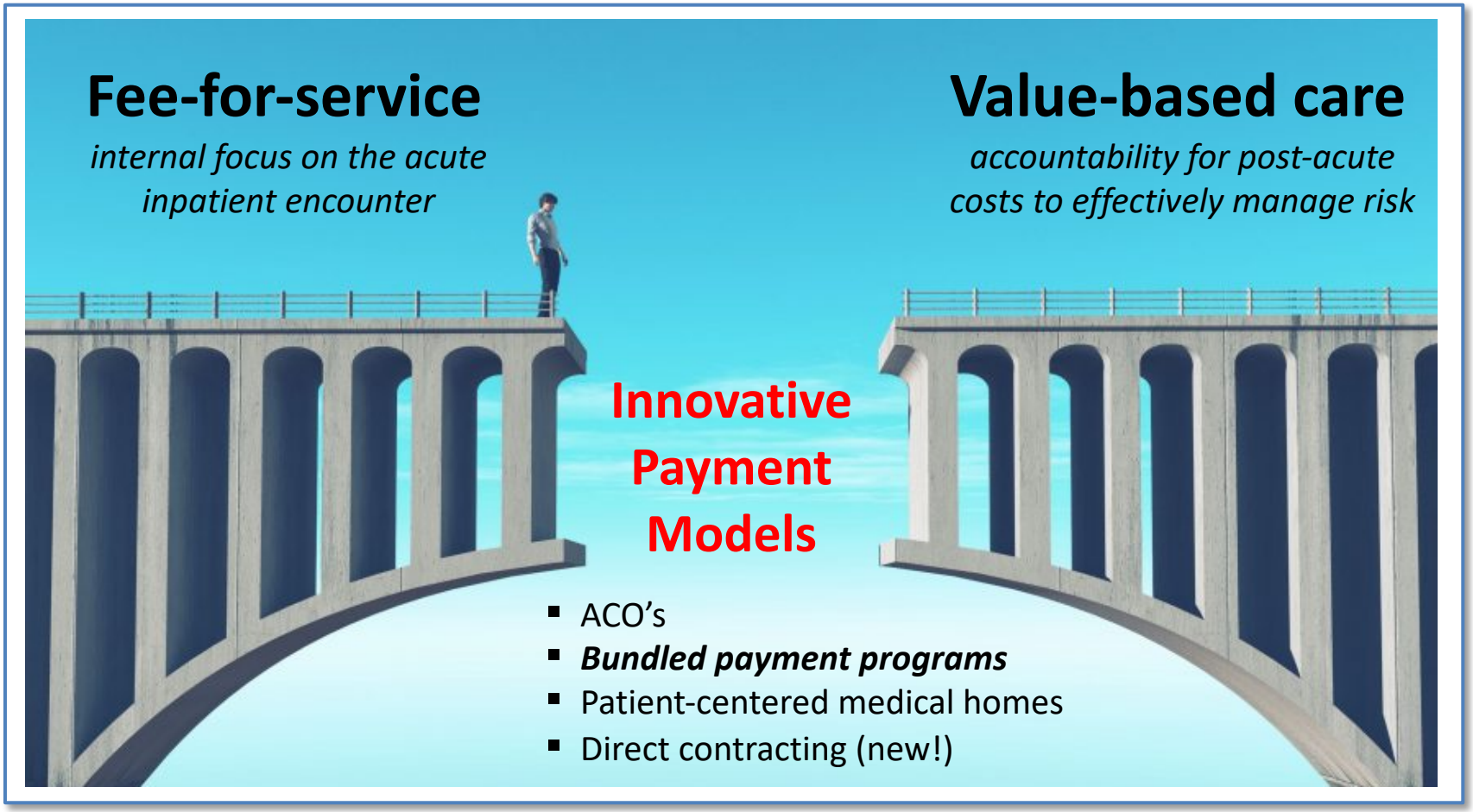
Succeeding in value-based care requires hospitals to develop a new set of services and capabilities



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The CMS Innovation Center has launched a new episode payment model: BPCI Advanced

The Bundled Payments for Care Improvement (BPCI) Advanced Program was set up to help you!

CMS' stated model purpose:

*"to better support healthcare providers who invest in **practice innovation**, **care redesign**, and **enhanced care coordination**"*

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION

Bundled Payments for Care Improvement Advanced | BPCI Advanced

Model timeline and key dates:

Program website:

https://innovation.cms.gov/initiatives/bpci-advanced

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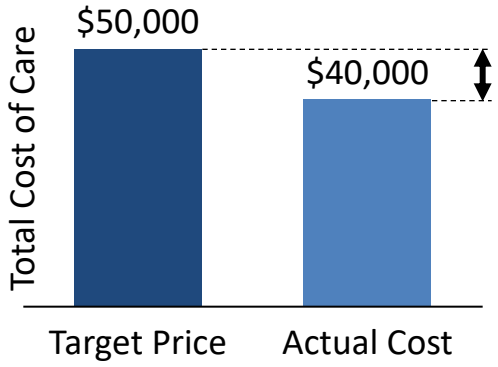
CMS is providing financial incentives for hospitals to reduce the cost of care for certain clinical episodes

Program overview:

Hospitals have the opportunity to be reimbursed for cost-savings achieved for Medicare FFS beneficiaries:

1. A clinical episode begins on admission (or procedure) and **extends for 90 days after discharge**
2. Hospitals and post-acute providers continue to receive Medicare FFS payments for services, but **Medicare sets a target price for each episode**[1]
3. If the total claims for the 90-day episode are less than the target price, then **Medicare pays the difference to the hospital**[2]

Illustrative example to demonstrate program economics



Financial Opportunity:

= $10,000/case

X 100 cases/year

= $1MM/year

Since hospitals receive DRG-based reimbursement from Medicare, **the opportunity in this program comes from reducing expenses in the 90-day post-acute period** (e.g., discharge destination, readmission, LOS at post-acute facility)

1: Target prices are calculated based on case mix, historical spending, peer and regional trends. Medicare also includes its own 3% cost savings built into the Target Price.

2: Payments are capped at 20% of the target price for each bundle, with reconciliation payments made every 6 months

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The list of episodes is broad and diverse

Episodes

29 Inpatient Clinical Episodes

- Disorders of the liver excluding malignancy, cirrhosis, alcoholic hepatitis *(New episode added to BPCI Advanced)
- Acute myocardial infarction
- Back & neck except spinal fusion
- Cardiac arrhythmia
- Cardiac defibrillator
- Cardiac valve
- Cellulitis
- Cervical spinal fusion
- COPD, bronchitis, asthma
- Combined anterior posterior spinal fusion
- Congestive heart failure
- Coronary artery bypass graft
- Double joint replacement of the lower extremity
- Fractures of the femur and hip or pelvis
- Gastrointestinal hemorrhage
- Gastrointestinal obstruction
- Hip & femur procedures except major joint
- Lower extremity/humerus procedure except hip, foot, femur
- Major bowel procedure
- Major joint replacement of the lower extremity
- Major joint replacement of the upper extremity
- Pacemaker
- Percutaneous coronary intervention
- Renal failure
- Sepsis
- Simple pneumonia and respiratory infections
- Spinal fusion (non-cervical)
- Stroke
- Urinary tract infection

3 Outpatient Clinical Episodes

- Percutaneous Coronary Intervention (PCI)
- Cardiac Defibrillator
- Back & Neck Except Spinal Fusion

SOURCE: CMS BPCI Advanced Fact Sheet, accessed at https://innovation.cms.gov/initiatives/bpci-advanced

HPMC has taken this opportunity to design and implement an effective post-acute care program

HPMC assembled a team of partners to deliver high-quality care after discharge

HPMC	Home, SNF, Rehab, Sub-Acute, etc.
Anchor Stay	***Post-Acute Period*** *(90 days)*

CONTINUING CARE PROGRAM

- **Patient tracking and notification**
- **On-campus clinic for post-discharge care coordination**
- **Patient navigators, home visits, and SNFist support**
- **Comprehensive data and performance management platform**

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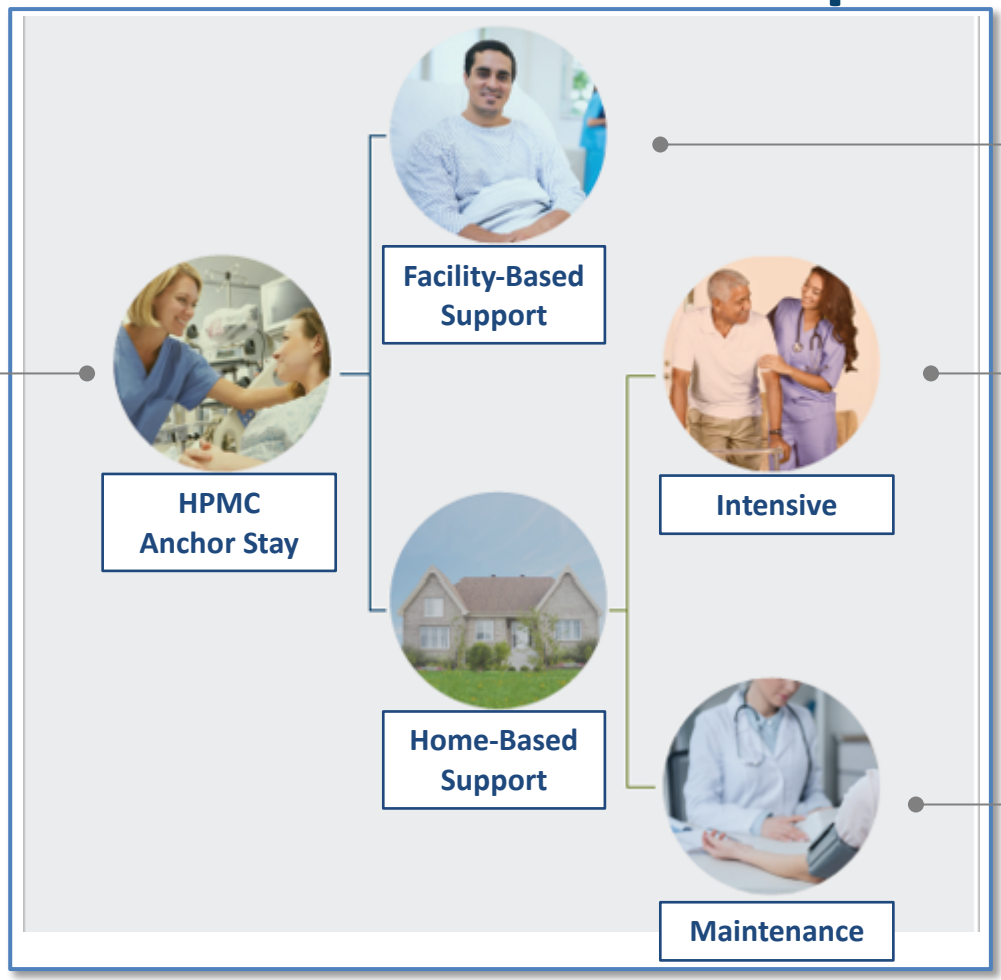
Early identification of target patients allows for risk-stratification to customized clinical pathways

Identifying patients early during the anchor stay facilitates proactive bedside engagement, risk-stratification, and patient tracking after discharge



Each clinical pathway has a standard schedule of operations, including an in-depth clinical assessment (within 24 hours of discharge), environmental assessments, and regular ongoing support throughout the 90-day post-discharge period

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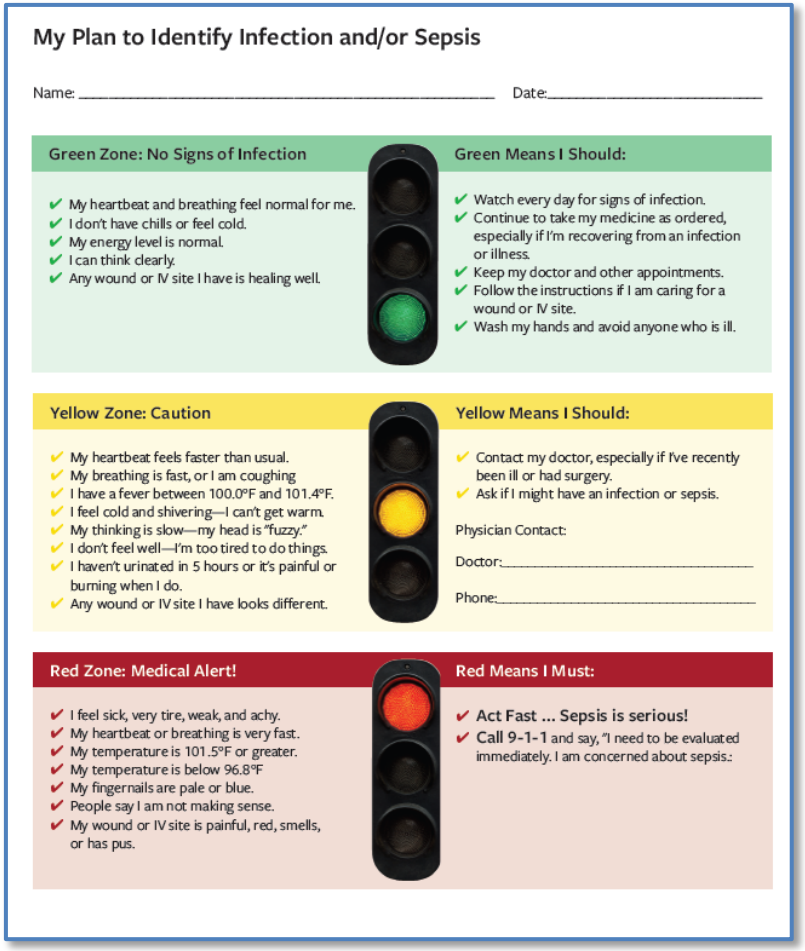
Education materials engage patients, caretakers, and post-acute facility staff to be part of the team



My Plan to Identify Infection and/or Sepsis

Name: _____ Date: _____

Green Zone: No Signs of Infection

- ✔ My heartbeat and breathing feel normal for me.
- ✔ I don't have chills or feel cold.
- ✔ My energy level is normal.
- ✔ I can think clearly.
- ✔ Any wound or IV site I have is healing well.

Green Means I Should:

- ✔ Watch every day for signs of infection.
- ✔ Continue to take my medicine as ordered, especially if I'm recovering from an infection or illness.
- ✔ Keep my doctor and other appointments.
- ✔ Follow the instructions if I am caring for a wound or IV site.
- ✔ Wash my hands and avoid anyone who is ill.

Yellow Zone: Caution

- ✔ My heartbeat feels faster than usual.
- ✔ My breathing is fast, or I am coughing
- ✔ I have a fever between 100.0°F and 101.4°F.
- ✔ I feel cold and shivering—I can't get warm.
- ✔ My thinking is slow—my head is "fuzzy."
- ✔ I don't feel well—I'm too tired to do things.
- ✔ I haven't urinated in 5 hours or it's painful or burning when I do.
- ✔ Any wound or IV site I have looks different.

Yellow Means I Should:

- ✔ Contact my doctor, especially if I've recently been ill or had surgery.
- ✔ Ask if I might have an infection or sepsis.

Physician Contact:

Doctor: _____

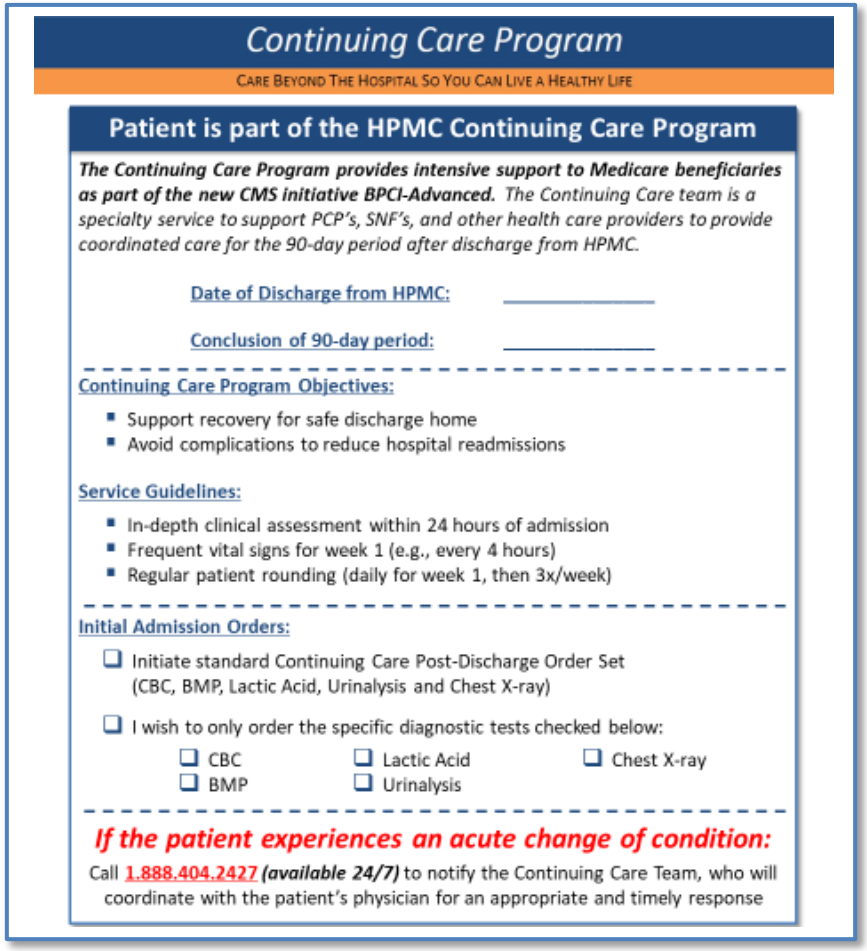
Phone: _____

Red Zone: Medical Alert!

- ✔ I feel sick, very tire, weak, and achy.
- ✔ My heartbeat or breathing is very fast.
- ✔ My temperature is 101.5°F or greater.
- ✔ My temperature is below 96.8°F
- ✔ My fingernails are pale or blue.
- ✔ People say I am not making sense.
- ✔ My wound or IV site is painful, red, smells, or has pus.

Red Means I Must:

- ✔ **Act Fast ... Sepsis is serious!**
- ✔ **Call 9-1-1** and say, "I need to be evaluated immediately. I am concerned about sepsis."



Continuing Care Program

CARE BEYOND THE HOSPITAL SO YOU CAN LIVE A HEALTHY LIFE

Patient is part of the HPMC Continuing Care Program

The Continuing Care Program provides intensive support to Medicare beneficiaries as part of the new CMS initiative BPCI-Advanced. *The Continuing Care team is a specialty service to support PCP's, SNF's, and other health care providers to provide coordinated care for the 90-day period after discharge from HPMC.*

Date of Discharge from HPMC: _____

Conclusion of 90-day period: _____

Continuing Care Program Objectives:

- Support recovery for safe discharge home
- Avoid complications to reduce hospital readmissions

Service Guidelines:

- In-depth clinical assessment within 24 hours of admission
- Frequent vital signs for week 1 (e.g., every 4 hours)
- Regular patient rounding (daily for week 1, then 3x/week)

Initial Admission Orders:

- ❑ Initiate standard Continuing Care Post-Discharge Order Set (CBC, BMP, Lactic Acid, Urinalysis and Chest X-ray)
- ❑ I wish to only order the specific diagnostic tests checked below:
  - ❑ CBC
  - ❑ BMP
  - ❑ Lactic Acid
  - ❑ Urinalysis
  - ❑ Chest X-ray

If the patient experiences an acute change of condition:

Call 1.888.404.2427 ***(available 24/7)*** to notify the Continuing Care Team, who will coordinate with the patient's physician for an appropriate and timely response

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Badges identify patient membership in the program and alert health care providers to contact our team

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Lisa Lake
Issue Date

Continuing Care Program

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FOR PATIENTS: Please present this card to your healthcare provider.

FOR EMS and PARAMEDICS
This patient is part of the CHA-HPMC Continuing Care Program, so please transport the patient directly to the **CHA-HPMC Emergency Department**:
1300 N. Vermont Ave.,
Los Angeles, CA 90027
(Corner of Vermont & Fountain)

FOR HEALTH CARE PROVIDERS
In the event of emergencies, Please contact **Triage Hotline**, available 24 hours: **888.404.2427.**

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Post-acute facilities and patients have access to a nurse advice line that is available 24/7

- Continuing Care nurses triage phone calls per the following algorithm:
  - **Care within 30 minutes:** call 911 to bring patient to ED
  - **Care within 4 hours:** nurse dispatched to post-acute facility or patient's home
  - **All others:** patient scheduled for next available appointment (same day or next morning) with Continuing Care physician

- **Collaborative workflows with HPMC's outpatient pharmacy** facilitates treatments to be delivered in the patient's home, including:
  - IV fluids
  - IV antibiotics
  - Pain medications
  - Anti-emetics

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If patients bounce-back to the ED, the Continuing Care Team is notified in real-time to respond

When a patient registers in the ED:

- **Continuing Care Team receives a text message notification** and sends the patient's navigator to see the patient in the ED
- Once diagnostic test results are completed, **ED physician contacts Continuing Care Team to discuss patient disposition**
- When clinically appropriate, the patient is **discharged with close follow-up with the Continuing Care Team**

If the patient is admitted to the hospital:

- **Continuing Care Physician works closely with the Admitting Physician** to manage the patient's care, and assists with coordinating appropriate discharge planning needs

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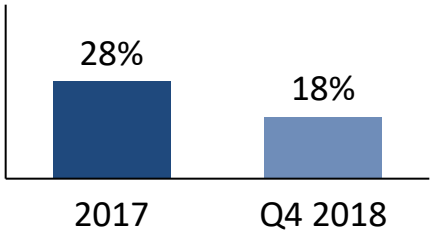
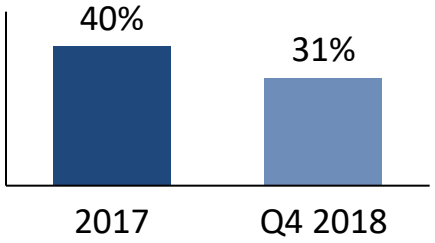
Early results indicate that the team is successfully achieving its program objectives

All BPCI-A Target Patients: *Sepsis, UTI, Pneumonia, Cellulitis, CHF, Acute MI, PCI*

30-day readmission rate



90-day readmission rate



Sepsis Bundle Performance:

Cost Savings	X	Case Volume	=	Reconciliation Payment
13% below target price:		**17% growth in sepsis cases:**		**~$3MM/year**
▪ 15% reduction in 90-day readmission rate ▪ 16% reduction in post-acute facility utilization		▪ Physician agreements and SNF working relationships ▪ Clinical documentation improvement efforts		▪ Fund program expenses ▪ Generate incremental net revenue

SOURCE: CMS claims data for visits at HPMC between October 1 – December 31, 2018

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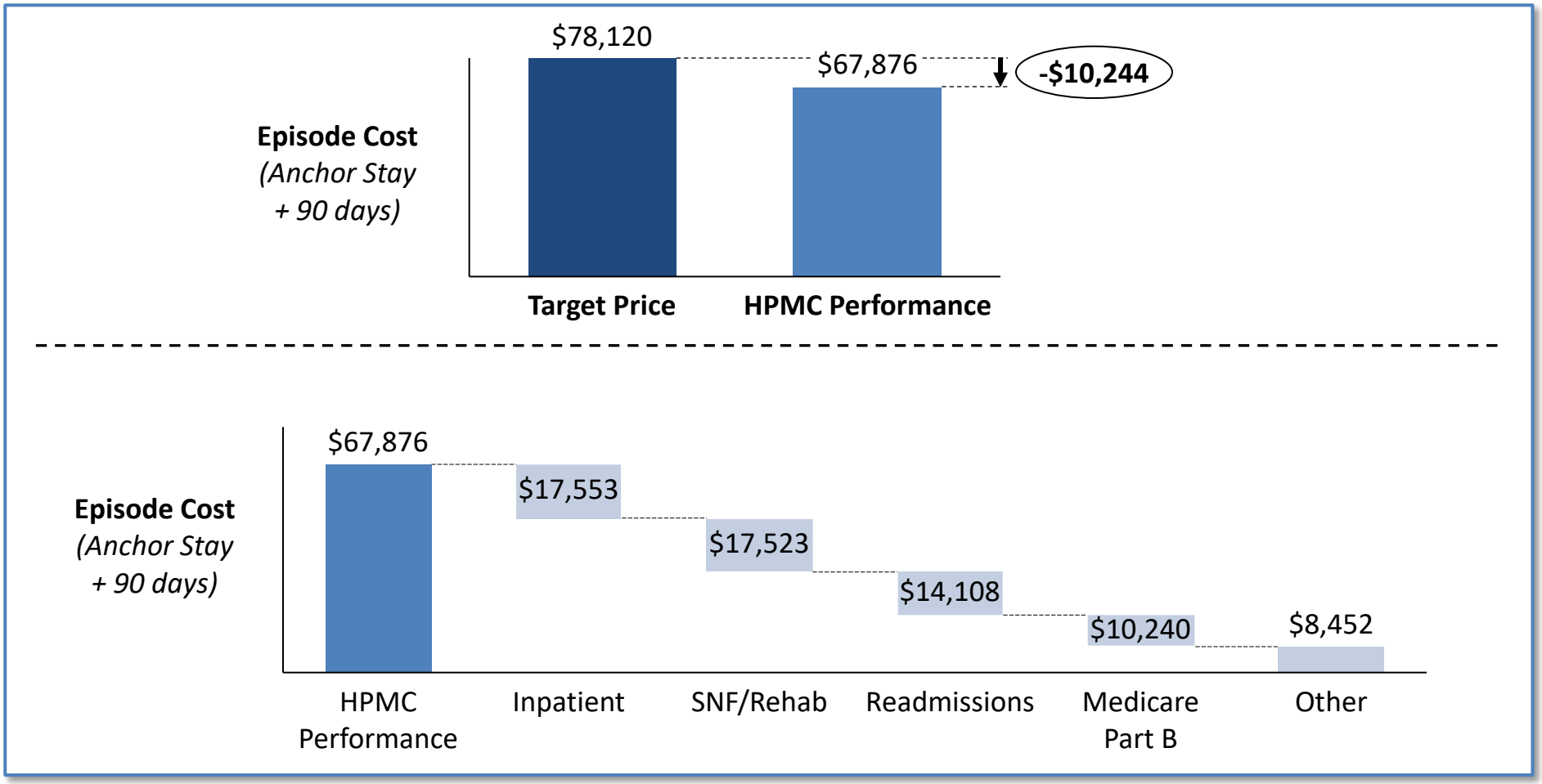
A data-driven approach informs priority areas for intervention to reduce the post-acute cost of care



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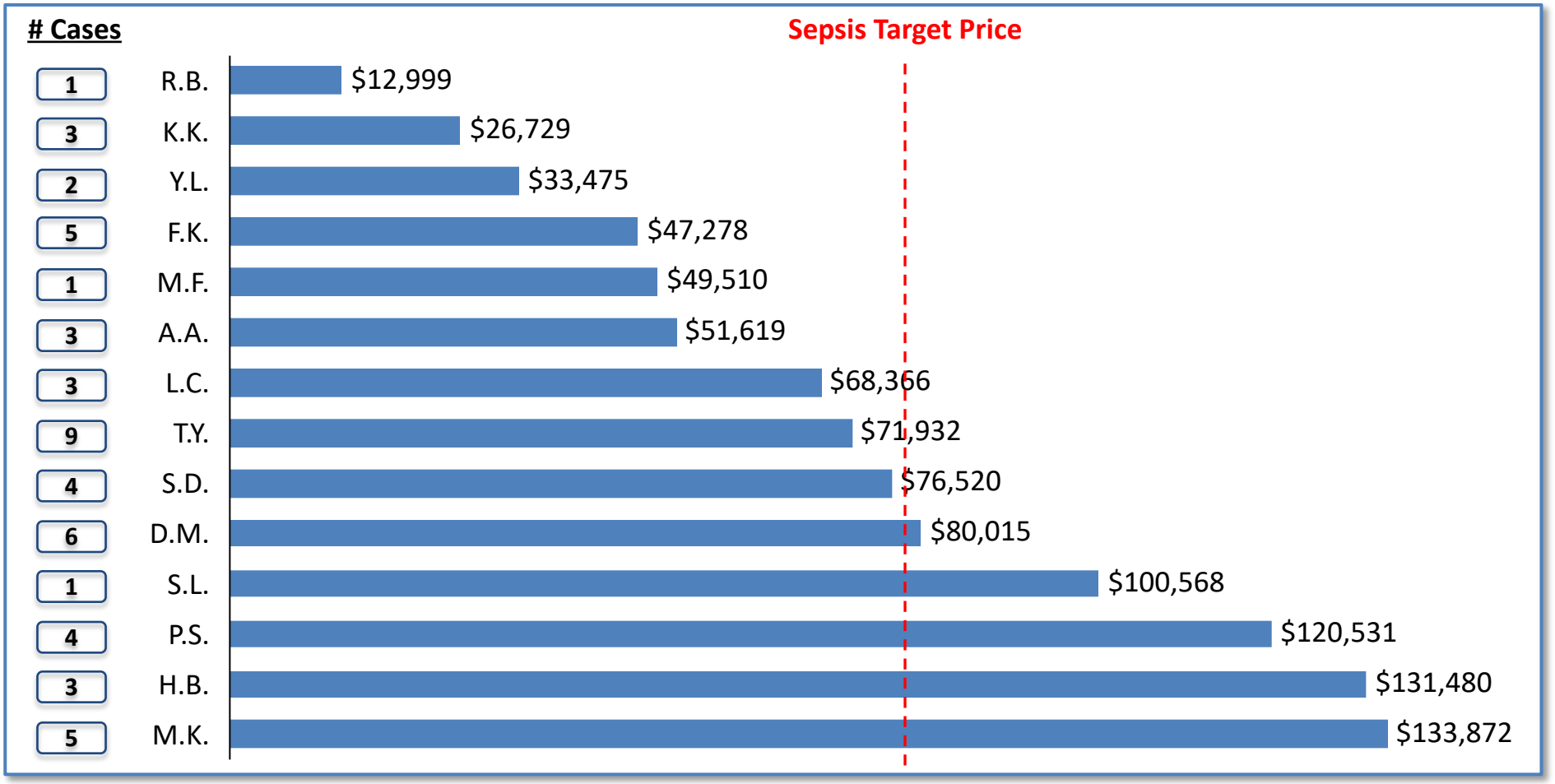
SOURCE: CMS claims data for visits at HPMC between October 1 – December 31, 2018

Performance management of physicians helps to focus efforts on supporting the outliers



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SOURCE: CMS claims data for visits at HPMC between October 1 – December 31, 2018

In addition to the program's financial impact, there are positive effects for satisfaction and quality

Patients and physicians are grateful for the support

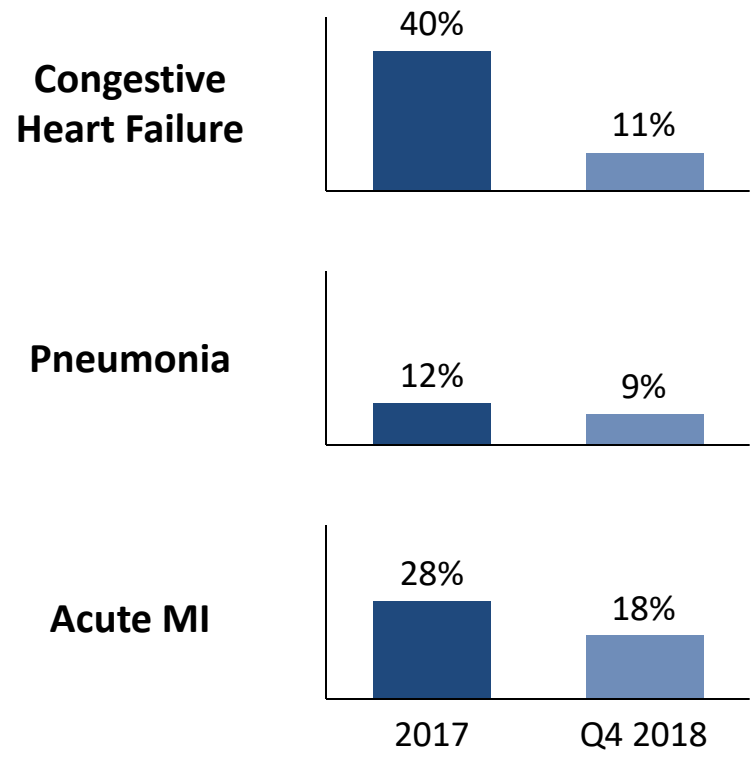
"I am so thankful for the triage line – they responded very quickly and sent a nurse to my home to take care of me."
–BPCI-A Patient

"We are grateful to be recipients of this program. The program's attention to me especially complements and supplements the care I receive from my primary doctor."
–BPCI-A Patient

"I appreciate the extra support to help me monitor and take care of my patients. It is marvelous that the hospital has this team to support physicians – I could not do it all by myself!"
–BPCI-A Participating Physician

CMS Hospital Readmissions Reduction Program

30-day readmission rate



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BPCI Advanced provides the financial incentives for a hospital to invest in post-acute services

Near-term: Voluntary participation

- **Hospitals have the option to sign-up for alternative payment models** (such as BPCI Advanced) with self-directed participation

On the horizon: Mandatory bundles

- **Hospitals may be required to participate in bundled payment programs** for certain diagnostic groups (similar to CJR)

Future state: Fully shared risk

- **The list of DRG's may continue to expand,** until Medicare payments across all diagnoses are subject to value-based reimbursement

Hospital transition costs can be funded through programs like BPCI-A

- **Establishing an effective post-acute service line requires investment** in new infrastructure, systems, and technology
- **CMS has given hospitals the financial incentive to fund this change** – don't miss out!

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Questions

Alternatively, please email me:

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