



# WSC POLICY ALERT

## CMS Announces New Voluntary Bundled Payment Model

### Overview

CMS on Tuesday introduced an [expanded bundled payment model](#) that calls for participants, **including acute care hospitals and physician groups**, to take on risk in both inpatient and outpatient settings, and that will qualify providers for additional incentives under the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015.

The new *voluntary* episode payment model, known as **Bundled Payments for Care Improvement (BPCI) Advanced**, will test an iteration of bundled payments for 32 Clinical Episodes (29 inpatient; 3 outpatient) and aims to align incentives to reduce expenditures and improve quality of care for Medicare beneficiaries.

The first cohort of Participants will start participation in the new Model on **October 1, 2018**, and the Model Period Performance will run through **December 31, 2023**. CMS will provide a second application opportunity in January 2020.

The announcement comes on the heels of CMS' November 2017 [final rule](#) cancelling the *Episode Payment Models (EPMs)* and *Cardiac Rehabilitation (CR)* incentive payment model and reduced by half the number of participants in the *Comprehensive Care for Joint Replacement (CJR)* model.

### Participants

A BPCI Advanced **Participant** is defined as an entity that enters into a Participation Agreement with CMS to participate in the Model. BPCI Advanced will require downside financial risk of all Participants from the outset of the Model Performance Period.

A **Convener Participant** is a type of Participant that brings together multiple downstream entities, referred to as "*Episode Initiators (EIs)*." A Convener Participant facilitates coordination among its EIs and bears and apportions financial risk under the Model.

- Acute Care Hospitals (ACHs)
- Physician Group Practices (PGPs)



A **Non-Convener Participant** is a Participant that is in itself an EI and does not bear risk on behalf of multiple downstream Episode Initiators.

- Eligible entities that are Medicare-enrolled providers or suppliers
- Eligible entities that are not enrolled in Medicare
- Acute Care Hospitals (ACHs)
- Physician Group Practices (PGPs)

### Model Timeline

Request for Applications	1/9/2018
Application portal opens	1/11/2018
Application portal closes	3/12/2018
CMS screens applicants	March – June 2018
Target prices distributed	May 2018
CMS offers Participant Agreements to applicants	June 2018
Signed Participant Agreement due to CMS	August 2018
Clinical Episode selections and program deliverables due to CMS	August 2018
Model Go Live	10/1/2018
First date for QP determination	3/31/2019
Next application period	1/1/2020

### Clinical Episodes

Participants selected to participate in BPCI Advanced beginning on October 1, 2018, must commit to be held accountable for one or more Clinical Episodes and may not add or drop such Clinical Episodes until January 1, 2020.



## Inpatient

- Disorders of the liver excluding malignancy, cirrhosis, alcoholic hepatitis \*
- 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

## Outpatient

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

\*(New episode added to BPCI Advanced)

A BPCI Advanced Clinical Episode is structured to begin either at the start of an inpatient admission to an ACH (the Anchor Stay) or at the start of an outpatient procedure (the Anchor Procedure). Inpatient admissions that qualify as an Anchor Stay will be identified by MS-DRGs, while outpatient procedures that qualify as an Anchor Procedure will be identified by HCPCS codes.



## Attribution

Clinical Episodes will be attributed at the Episode Initiator (EI) level. The hierarchy for attribution of a Clinical Episode among different types of EI is as follows, in descending order of precedence:

1. The PGP that submits a claim that includes the National Provider Identifier (NPI) for the attending physician;
2. The PGP that submits a claim that includes the NPI of the operating physician; and
3. The ACH where the services that triggered the Clinical Episode were furnished.

BPCI Advanced will *not* use time-based precedence rules.

## Quality Measures

CMS has selected seven quality measures for the BPCI Advanced Model. Two of them, All-cause Hospital Readmission Measure and Advance Care Plan, will be required for all Clinical Episodes. The other five quality measures will only apply to select Clinical Episodes.

- All-cause Hospital Readmission Measure (NQF #1789)
- Advanced Care Plan (NQF #0326)
- Perioperative Care: Selection of Prophylactic Antibiotic: First or Second-Generation Cephalosporin (NQF #0268)
- Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) (NQF #1550)
- Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Coronary Artery Bypass Graft Surgery (NQF #2558)
- Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction (NQF #2881)
- AHRQ Patient Safety Indicators (PSI 90)

## MACRA Incentives

BPCI Advanced will qualify as an Advanced Alternative Payment Model (APM) under the Quality Payment Program (QPP). Beginning in 2018, penalties under the Merit-based Incentive Payment Program (MIPS) will increase, with providers being paid on cost performance for the



first time. However, providers can opt out of MIPS and earn a five percent payment increase if they participate in an Advanced APM.

However, an eligible clinicians' participation in the Model will not be tracked, for purposes of the Qualifying APM Participant (QP) determination and the five percent APM Incentive Payment, until the Performance Period beginning on **January 1, 2019**. CMS anticipates the first "snapshot" date for QP determination for eligible clinicians following the start of BPCI Advanced will be **March 31, 2019**.

### Application Links

The application and all required documents must be submitted via the BPCI Advanced Application Portal. The Portal will open on **January 11, 2018** and close on **March 12, 2018 at 11:59 pm EST**.

[BPCI Advanced Application Portal](#)  
[Request for Applications](#)  
[Application template](#)  
[Data Request and Attestation \(DRA\) Form](#)

### Open Door Forum

CMS will hold an **Open-Door Forum on January 30, 2018 at 12:00PM** to answer questions the public may have about the new Bundled Payments for Care Improvement Advanced (BPCI Advanced) model. [Registration for the event](#) is now open.

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