Bamboo Health

BPCI-Advanced

MODEL YEAR 4 & HOW TO SUCCEED

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BPCI-Advanced Model Overview & Context

The Centers for Medicare and Medicaid Services (CMS) made several changes to Model Year 4 (MY4) of the Bundled Payments for Care Improvement Advanced (BPCI-A). As of January 2021, participants are required to select groupings of Clinical Episodes, adjust to an updated patient attribution rule, and consider new Target Price calculations. These changes to MY4 were implemented by CMS with the goals of improving target price accuracy and preventing overall financial losses.

QUICK FACTS ON THE BPCI-A MODEL:

- Began in October of 2018 and continues through 2023
- Includes two participant cohorts (October 2018 and January 2020)
- Voluntary Advanced Alternative Program Model serving Medicare fee-for-service (FFS) beneficiaries
- Includes 90-day Clinical Episodes (31 inpatient and 4 outpatient Clinical Episodes)
- Payment and Reconciliation:
    - Single retrospective payment for Clinical Episodes
    - Semi-annual performance periods
    - Medicare FFS expenditures reconciled against Target Prices with two-sided risk

BPCI-A PAYMENT & RECONCILIATION

At the end of each performance period, Medicare FFS expenditures are reconciled against prospective Target Prices for each clinical episode, and participants may receive a payment from CMS if the Clinical Episode expenditures are below the Target Price. Participants may owe money back to CMS if expenditures are higher than the Target Price in a two-sided risk model.

Understanding Model Changes

The changes to MY4 of BPCI-A were designed by CMS to help ensure the program achieves its goal of providing Medicare savings without sacrificing patient care quality. The changes will mitigate participant Clinical Episode selection bias, improve Target Price accuracy, and help CMS ensure reconciliation payments are made as a result of true cost reductions versus participant regression to the mean.

MAJOR CHANGES FOR MODEL YEAR 4

INTENT OF MODEL CHANGES

MITIGATE SELECTION BIAS

- Most Episode Initiators (EIs) historically chose less than five Clinical Episodes.
- Hospitals had higher median historical payments for Clinical Episodes they chose.

IMPROVE TARGET PRICE ACCURACY

MEASURE PROGRAM IMPACT

- Help CMS ensure reconciliation payments are made as a result of true cost reductions versus mean reversion.

CHANGE #1

Creation of 8 Clinical Episode Service Line Groups (CESLG)

OVERVIEW

- 35 BPCI-A Clinical Episodes have been bucketed into 8 CESLGs.
- Participants must select CESLGs and all component Clinical Episodes within each grouping.
- CESLGs will be locked in for three years.
- Participants are not required to participate in Clinical Episode categories within a CESLG that don't meet minimum volume threshold during baseline period.

INTENT

- Reduce Clinical Episode selection bias.
- Test bundles for broader clinical service lines.
- Drive larger impact on clinical care.

PARTICIPANT IMPACT

- Higher risk exposure due to mandatory CESLG selection.
- Potential risk for Clinical Episodes that had been avoided.
- Requires new and/or expanded workflows and infrastructures.

8 CLINICAL EPISODE SERVICE LINE GROUPS

Cardiac Care	Neurological Care	Spinal Procedures	Orthopedics
Gastrointestinal Surgery	Cardiac Procedures	Gastrointestinal Care	Medical & Critical Care

CHANGE #2

New Clinical Episode Overlap Methodology

OVERVIEW

- Any Clinical Episode that is triggered while a beneficiary has an ongoing separate Clinical Episode will be excluded.
- Overlapping Clinical Episodes will be excluded regardless of whether the initial ongoing Clinical Episode was attributed to a BPCI-A participant or not.

INTENT

- Create consistency in how Clinical Episodes are constructed in baseline and performance periods.
- Improve Target Price accuracy.

PARTICIPANT IMPACT

- Reduced number of Clinical Episodes attributed.
- Chance of not meeting the minimum Clinical Episode thresholds.
- More difficult to determine patient attribution at the time of Clinical Episode.

CHANGE #3

Realized Peer Group Trend Adjustment

OVERVIEW

- CMS will adjust final Target Prices at reconciliation for peer group trends found in performance period Clinical Episodes.
- There will be a 10% cap on the difference between the realized retrospective peer group trend factor and the preliminary prospective peer group trend factor.

INTENT

- Ensure savings are more directly tied to actual improvements.
- Capping the adjustment at 10% creates more predictability and stability in Target Prices.

PARTICIPANT IMPACT

- Assess if success can be achieved even if Target Price drops up to 10%.
- Must have ability to evaluate and improve performance in real time to mitigate Target Price drop.

CHANGE #4

Removal of Physician Group Practice (PGP) Offset

OVERVIEW

- CMS will remove the PGP Offset used in PGP Target Price construction.
- Each Clinical Episode category will have a single Target Price that does not vary, irrespective of the individual PGP that triggered the episode.

INTENT

- Create the same Target Prices (preliminary and final) for PGPs as acute care hospitals except for the Patient Case Mix Adjustment.
- Simplify pricing methodology for ease of scaling.

PARTICIPANT IMPACT

- Removes changes that were dependent on the PGP that triggered the Clinical Episode.
- Possible increase in savings for historically efficient PGPs.
- Possible reduction in savings for historically inefficient PGPs.

CHANGE #5

Major Joint Replacement of the Lower Extremity (MJRLE) Risk Adjustment

OVERVIEW

- CMS will use combinations of flags to improve precision of the MJRLE risk adjustment and Target Prices.
- CMS will add the below procedure flags to MY4 MJRLE risk adjustment:
  - Total and Partial Knee Arthroplasty
  - Partial Hip Arthroplasty
  - Total Hip Arthroplasty and Hip Resurfacing
  - Ankle and Reattachments and/or Others

INTENT

- Improve Target Price accuracy for MJRLE Clinical Episodes.

PARTICIPANT IMPACT

- Target Price changes.
- More diverse distribution of prices in the MJRLE bundle.

Key Considerations for Participants

- MY4 changes require rapid decision-making for participants around the following:
  - Financial assessments and clinical service line selection
  - Workflow and infrastructure development
- CMS likely to introduce mandatory bundled payment program after the conclusion of BPCI-A in 2023.
  - Establishing BPCI-A infrastructure and processes can prepare organizations for success.

SUCCEEDING WITH BAMBOO HEALTH

With Bamboo Health, one of the nation's leading care coordination platforms, BPCI-A participants can:

- Identify BPCI-A patients in real time with Smart Roster functionality.
  - Activate and optimize care management resources during anchor stay for discharge planning.
- Manage BPCI-A patients with real-time notifications on care events across Bamboo Health's national network of hospitals and post-acute facilities.
  - Reduce post-acute length of stay and avoidable readmissions.
  - Influence external care transitions to optimize patient outcomes .while managing total cost of care.

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