

# Bundled Payment for Care Improvement (BPCI) Initiative Model 2

Many of Dignity Health's hospitals, along with SRQCN, are participating in the Bundled Payment for Care Improvement (BPCI) initiative, a model within the Center for Medicare and Medicaid Innovation (CMMI). BPCI is an innovative payment model designed to increase efficiencies of care, improve quality and enhance patient satisfaction across the care continuum.

We are partnering with naviHealth, the CMS "awardee convener," to participate in Model 2, a three-year initiative which focuses on Acute Care Hospital Stays and 90 days Post-Acute Care. This model seeks to foster collaboration among hospitals, physicians and post-acute providers in improving care coordination for Medicare Fee for Service patients through care redesign, aligned financial incentives and enhanced communication processes. This in turn can improve the patient's experience of care during a hospital stay and in their post-discharge recovery.

We are working collaboratively with CMMI to gain experience while this model is still under development. As a result, we will have a significant hand in shaping the process going forward.

This proactive approach to testing innovative payment and service delivery models will seek to reengineer and provide greater value in care delivery and better prepare us to thrive in an era of health care reform. You as physician leaders are instrumental to the success of the project, and we hope to be working closely with you to test the efficacy of this new delivery model in our community. **You would only be responsible for the metrics within your specialty.**

## Gainsharing

CMMI has provided specific guidance to the Bundling program participants to manage the distribution of savings pools created from this program. Physicians will be reimbursed their standard CMS Fee-For-Service Reimbursement.

There is no downside risk to a physician in this model. However, for physicians to achieve a portion of the savings they must have executed a contract/amendment to comply with CMS guidelines, have rendered services to patients in the selected episodes and collaboratively achieved the identified quality measures.

Physicians (working in collaboration) must meet quality measures to be eligible to receive gainsharing payments from the savings pools. Quality measures consist of inpatient (e.g., hospital core measures) and outpatient metrics (e.g., readmissions). For each clinical area, payouts are determined based on having achieved quality ratings within the physicians' scope of work. Gainsharing payments are based on collective and aggregate performance within these clinical areas.

# BPCI FAQs

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The following are some FAQs regarding how BPCI works and your involvement with the initiative. We will continue to provide information and any program updates so that we can help answer any questions you may have.

### Q: What comprises a bundled payment?

A: A bundled payment, as defined by Model 2 of this project, is an episode that encompasses a family of related MS-DRGs with various co-morbidities, that includes all non-hospice Part A and B services provided during the initial inpatient stay and a post-acute period of 90 days.

### Q: Which patients are included in this program?

A: The BPCI program is applicable to all Medicare fee-for-service patients (both parts A and B), where Medicare is the primary payer, and where services fall within the clinical episodes. It is NOT applicable to Medicare Advantage (i.e. “Medicare HMO”) patients or End Stage Renal Disease (ESRD) patients. In addition, Medicaid/MediCal patients are only included if Medicare is the primary payer with Medicaid/MediCal being secondary.

### Q: How does BPCI work from a physician’s standpoint?

A: Physicians will bill and collect as you normally do – at your prevailing Medicare fee schedule. In the BPCI program, physicians have the opportunity to participate in gainsharing if savings are achieved and quality goals are met.

### Q: Will participation in BPCI result in my receiving reduced reimbursement?

A: Physicians will bill and be reimbursed at the prevailing Medicare fee schedule. Current billing, collecting processes (with regard to patient copays, secondary payers, etc.) and policies still apply.

### Q: How do physicians become eligible for gainsharing?

A: Participation in gainsharing is voluntary and quality metrics must be achieved before any cost savings are distributed. Physicians do not have any downside risk in participating in this program. To be eligible for gainshare distribution from the BPCI Savings pool, hospitals and physicians must implement written agreements that meet CMS requirements.

The gainsharing distribution is subject to meeting all of the CMS, naviHealth-Dignity Health Agreement and Model 2 Physician Gainsharing Agreement requirements. The quality measures must be met by physicians to be eligible to receive incentive payments.

In addition, CMS imposes an annual cap on shared savings based on the provider’s reimbursement, not to exceed 50% of the Medicare fee-for-service schedule.

CMS has the authority to determine eligibility of each physician to participate in gainsharing. CMS is provided a roster of eligible physicians and notified of any updates as needed.

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## **Q: How does BPCI gainsharing distribution work?**

A: On a quarterly basis, CMS will retrospectively reconcile the total amount of actual fee-for-service expenditures for items and services against the Target Price for each Episode. This Target Price is determined by taking a 2% discount off of the Baseline Price that CMS established based on 3-year historical claims data and then trended forward to current pricing structures.

If the actual expenditures are below the amount in the Target Price for both acute and post-acute care, a portion of these amounts will be contributed to the BPCI Savings Pool for gainsharing distribution. The amount of savings will be aggregated for each physician gainsharing pool, which is grouped by relevant episodes, and then distributed as according to performance on quality goals.

## **Q: Are there any financial risks for physicians participating in this program?**

A: Physicians have no downside risk in participating in the Bundled Payment gainsharing program, as the participating hospitals and NaviHealth will take on the downside risks of participation as well as program costs.

## **Q: Will we be partnering with any other organizations in these efforts?**

A: Yes, we will be working with naviHealth, a post-acute management company and the BPCI Awardee Convener. Based out of Nashville, TN, naviHealth specializes in managing post-acute services and transitions of care nationally.

## **Q: How will physicians collaborate with naviHealth?**

A: naviHealth uses a patient assessment survey tool, LiveSafe™, to help drive appropriate post-acute care placement and outcomes. naviHealth will use this tool to stratify and assess patients for appropriate levels of post-acute settings.

Then, based upon the level of intervention needed, naviHealth may follow the patient for the next 90 days and work with physicians to manage the patient's progress. As a part of this process, naviHealth will provide Care Coordinators to work alongside physicians, hospital case management, discharge planners, and other staff.