RLI Power Hour - Understanding Bundles of Care Payment Models From Multiple Perspectives

Understanding Bundles of Care Payment Models from Multiple Perspectives

Wednesday, June 17, 2020
THANK YOU!

The Radiology Leadership Institute (RLI) thanks the American Medical Association (AMA) for it’s collaboration on and contribution to this webinar.
Moderators

**Geoffrey D. Rubin, MD, MBA, FACR**
George B. Geller Professor of Cardiovascular Research, Professor of Radiology and Bioengineering, Duke University, Durham, NC

**Kathleen Blake, MD, MPH**
Vice President, Healthcare Quality, American Medical Association
Panelists

Kevin J. Bozic, MD, MBA
Chair of Surgery and Perioperative Care, Dell Medical School at the University of Texas at Austin

Richard Duszak, MD, FACR, FSIR, FRBMA
Professor and Vice Chair for Health Policy and Practice, Department of Radiology and Imaging Sciences, Emory University School of Medicine

S. Patrick Hammond
Chief Executive Officer, Emory Healthcare Network, Chief Market Services Officer, Emory Healthcare, Inc.

Presented on 6/17/2020
Panelists

Christina Smith Ritter, PhD
Director of Patient Care Models Group,
Center for Medicare & Medicaid Innovation

Michael Suk, MD, JD, MPH, MBA, FACS
System Wide Chair of the Geisinger
Musculoskeletal Institute for the Geisinger Health
System, Professor of Orthopedic Surgery at the
Commonwealth Medical College

RLI Power Hour Webinar Series
Bundled Payments, A Brief History

Michael Suk, MD, JD, MPH, MBA, FACS
System Wide Chair of the Geisinger Musculoskeletal Institute for the Geisinger Health System, Professor of Orthopedic Surgery at the Commonwealth Medical College
Federal Perspective: What is CMS Looking For From Physicians and Provider Organizations?

Christina Smith Ritter, PhD
Director of Patient Care Models Group, Center for Medicare & Medicaid Innovation
Understanding Bundles of Care Payment Models

Health System Perspective: A Tale of Two Emorys and How Financial Structure Influences Bundle Design and Approaches to Bundle Acceptance

S. Patrick Hammond
Chief Executive Officer, Emory Healthcare Network, Chief Market Services Officer, Emory Healthcare, Inc.
Bundled Payments in Radiology: Considerations for Practice and Department Leaders

Richard Duszak, MD, FACR, FSIR, FRBMA
Professor and Vice Chair for Health Policy and Practice
Department of Radiology and Imaging Sciences
Emory University School of Medicine
Questions to Ask

1. Are you assuming risk?
2. Who controls the episode?
3. How variable is imaging?
Are You Assuming Risk?
Who Controls the Episode?

<table>
<thead>
<tr>
<th>Service Name</th>
<th>CPT/HCPCS</th>
<th>Percentage of Patients Undergoing</th>
<th>Number of Services</th>
<th>National MPS Professional</th>
<th>National MPS Technical</th>
<th>National MPS Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening mammography</td>
<td>70000</td>
<td>106.0%</td>
<td>281,319</td>
<td>$27.00</td>
<td>$129.19</td>
<td>$164.41</td>
</tr>
<tr>
<td>Diagnostic mammography (ultraw)</td>
<td>70001</td>
<td>9.7%</td>
<td>20,712</td>
<td>$39.04</td>
<td>$58.11</td>
<td>$43.45</td>
</tr>
<tr>
<td>Diagnostic mammography (ultraw)</td>
<td>70001</td>
<td>1.0%</td>
<td>3,562</td>
<td>$49.53</td>
<td>$121.88</td>
<td>$171.19</td>
</tr>
<tr>
<td>Breast ultrasound (biopsy)</td>
<td>76942</td>
<td>1.2%</td>
<td>2,883</td>
<td>$54.81</td>
<td>$55.37</td>
<td>$55.26</td>
</tr>
<tr>
<td>Breast ultrasound (complete)</td>
<td>76941</td>
<td>0.4%</td>
<td>2,780</td>
<td>$37.52</td>
<td>$121.14</td>
<td>$129.40</td>
</tr>
<tr>
<td>Breast MRI</td>
<td>77054</td>
<td>0.5%</td>
<td>1,000</td>
<td>$63.82</td>
<td>$481.58</td>
<td>$481.15</td>
</tr>
<tr>
<td>Digital breast tomosynthesis (screening)</td>
<td>77056</td>
<td>0.0%</td>
<td>25</td>
<td>$35.80</td>
<td>$25.40</td>
<td>$55.54</td>
</tr>
<tr>
<td>Digital breast tomosynthesis (diagnostic)</td>
<td>77057</td>
<td>0.4%</td>
<td>200</td>
<td>$30.40</td>
<td>$25.40</td>
<td>$55.54</td>
</tr>
</tbody>
</table>

**Weighted Professional Bundled Price**: $43.26  
**Weighted Technical Bundled Price**: $114.47  
**Weighted Global Bundled Price**: $157.73
# How Variable is Imaging?

<table>
<thead>
<tr>
<th>DRG and Cost/Shares</th>
<th>DRG No. 470</th>
<th>DRG No. 020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Type</td>
<td>Imaging Share Of Cost</td>
<td>Imaging Share Of Cost</td>
</tr>
<tr>
<td>Medicare</td>
<td>Part B</td>
<td>Part B</td>
</tr>
<tr>
<td>Year</td>
<td>2017</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Quartiles &amp; Mean</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max</td>
<td>100.00%</td>
<td>30.35%</td>
</tr>
<tr>
<td>75th</td>
<td>2.02%</td>
<td>19.12%</td>
</tr>
<tr>
<td>Mean</td>
<td>1.36%</td>
<td>13.74%</td>
</tr>
<tr>
<td>Median</td>
<td>1.45%</td>
<td>13.83%</td>
</tr>
<tr>
<td>25th</td>
<td>0.45%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Min</td>
<td>0.00%</td>
<td>0.54%</td>
</tr>
<tr>
<td>Freq. Of Episodes</td>
<td>27,370</td>
<td>99</td>
</tr>
</tbody>
</table>

$2,070.14 $9,259.95
Questions to Ask

1. Are you assuming risk?
2. Who controls the episode?
3. How variable is imaging?
Bundled Payments in Radiology:
Alternative Payment Models in Orthopaedic Surgery:
What We’ve Learned So Far

Kevin J. Bozic, MD, MBA
Professor and Chair, Department of Surgery and Perioperative Care
Dell Medical School at the University of Texas at Austin
Senior Institute Associate, Harvard Business School
Alternative Payment Models in Orthopaedic Surgery: What We’ve Learned So Far

Kevin J. Bozic, MD, MBA
Professor and Chair, Department of Surgery and Perioperative Care
Dell Medical School at the University of Texas at Austin
Senior Institute Associate, Harvard Business School
RLI Power Hour - Understanding Bundles of Care Payment Models From Multiple Perspectives

Figure 1. APM Framework (At-A-Glance)

Category 1
Fee for Service – No Link to Quality & Value
A
Foundational Payments for Infrastructure & Operations
B
Pay for Reporting
C
Rewards for Performance
D
Rewards and Penalties for Performance

Category 2
Fee for Service – Link to Quality & Value
A
APMs with Upside Gainsharing
B
APMs with Upside Gainsharing/Downside Risk

Category 3
APMs Built on Fee-for-Service Architecture
A
Condition-Specific Population-Based Payment
B
Comprehensive Population-Based Payment

Category 4
Population-Based Payment
LAN’s new payment reform goals
(HHS/CMS, participating states, private payers)

GOAL STATEMENT
Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of shared accountability alternative payment models.

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>Commercial</th>
<th>Medicare Advantage</th>
<th>Traditional Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15%</td>
<td>15%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>2022</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>2025</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
History of Alternative Payment Models in Orthopaedics

Acute Care Episode (ACE) Demonstration

Bundled Payments for Care Improvement

Comprehensive Care for Joint Replacement (CJR) Model

Bundle Payment Program
Increasing Quality - Reducing Cost

Figure 3. Top five clinical episode bundles selected by Model 2 BPCI participants

Exponential Growth in TJA Procedure Rates and Costs


EXHIBIT 4
Transition In Both The Payment And The Delivery Systems

Delivery system

Value-driven coordinated care
Interim/virtual coordination arrangements
Volume-driven fragmented care

Today

Co-evolution of organization and payment
Transition

Ideal

Payment system

Failure due to lack of organizational capacity to manage value-driven payment

Fee-for-service
Virtual episode-of-care and comprehensive care payment
Episode-of-care or comprehensive care payment

SOURCE: Author’s analysis.

Miller H D Health Aff 2009;28:1418-1428
TJR Bundles Drive Care Coordination Across Acute, Post-Acute Settings

Hospitals Strengthen Bonds with Post-Acute Providers

Pre-Operative Care
- Pre-Operative Pathway
  - Surgeon Pre-Op Visit
  - Pre-admission Testing

Acute Care
- Inpatient Pathway
  - Hospital

Post-Acute Care
- Inpatient Rehab
- Skilled Nursing Facility
- Home Health Agency
- Outpatient Physical Therapy
- Primary Care Visits
- Surgeon Follow-up Visits

Shared Post-Acute Pathways
Cost of Joint Replacement Using Bundled Payment Models

Amol S. Navathe, MD, PhD; Andrea B. Troxel, ScD; Joshua M. Liao, MD; Nan Nan, MS; Jingsan Zhu, MS; Wenjun Zhong, PhD; Ezekiel J. Emanuel, MD, PhD

Figure 1. Episode Spending for Major Joint Replacements of Lower Extremities With and Without Major Complications or Comorbidities Over ACE and BPCI

Figure 2. Quality of Care for Major Joint Replacements of Lower Extremities With and Without Major Complications or Comorbidities as Measured by ER Visits, Readmissions, and PLOS Over ACE and BPCI

Reduced episode spending

Reduced LOS
Key Results

- 1.6% reduction in episode spending
- Lower inpatient and post-acute care spend
- Reduced ALOS and readmissions
- Increased discharge to home/self-care
- Increased case complexity
What’s Missing from Procedure-Based Bundles?

Dartmouth Atlas Knee Replacement Rates
Evolution of Value-Based Payment Models

- Longitudinal Management of Arthritis (including risk factor modification)
- Knee Replacement Surgery

Timeline:
- Close Pre
- Close Post
- Further Post Window

- 15 Days
- 42 Days
- 90 Days
- 180 Days
Alternative Payment Models for Hip and Knee OA

Start of hip or knee OA care

First E&M visit with a specialist for hip or knee OA trigger the non-surgical case rate

Hip or Knee OA Care Management

Care pathway focused on improvement of patient outcomes

Up to 12 months episode of care for non-surgical care

Last E&M visit with a specialist for hip or knee OA before surgery trigger a SEPARATE surgical case rate

Up to 4 months episode of care for surgical care

Surgical case rate

Pre-operative care, surgery, post-acute care

Condition case rate

Evaluation and Management, Exam Room Procedures, Diagnostic Ancillaries, Support Services¹, Treatment Ancillaries, Patient Education²

1. Support Services include DME, immunization/vaccine, etc. (only will be given if it is necessary);
2. Patient education includes service & materials fees, patient’s history, registration, education, etc.

Presented on 6/17/2020
Payment Model Drives Delivery System Reform

TJR Bundles

Arthritis Bundles

Hospitals Strengthen Bonds with Post-Acute Providers
Case rate pricing provides opportunity to integrate effective but non-billable services to the care models.

### Savings driven through care redesign

<table>
<thead>
<tr>
<th>Per Patient Spend</th>
<th>Historical</th>
<th>New Care Model</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office visits</td>
<td>$600</td>
<td>$350</td>
<td>-$250</td>
</tr>
<tr>
<td>Social work / nutrition</td>
<td>$0</td>
<td>$73</td>
<td>+$73</td>
</tr>
<tr>
<td>Physical therapy</td>
<td>$133</td>
<td>$216</td>
<td>+$83</td>
</tr>
<tr>
<td>Simple imaging</td>
<td>$80</td>
<td>$49</td>
<td>-$31</td>
</tr>
<tr>
<td>Advanced imaging</td>
<td>$16</td>
<td>$4</td>
<td>-$12</td>
</tr>
<tr>
<td>Injection</td>
<td>$117</td>
<td>$35</td>
<td>-$82</td>
</tr>
<tr>
<td>Laboratory</td>
<td>$10</td>
<td>$6</td>
<td>-$4</td>
</tr>
<tr>
<td>DME</td>
<td>$82</td>
<td>$9</td>
<td>-$73</td>
</tr>
<tr>
<td>Surgery pro-fees</td>
<td>$275</td>
<td>$228</td>
<td>-$47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,313</td>
<td>$970</td>
<td>-$343</td>
</tr>
</tbody>
</table>

Assumes Medicare Rates
For all patients:
- Patient global improvement

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>9%</td>
</tr>
<tr>
<td>Much</td>
<td>29%</td>
</tr>
<tr>
<td>A little</td>
<td>22%</td>
</tr>
<tr>
<td>No change</td>
<td>27%</td>
</tr>
</tbody>
</table>

Condition-specific measurement:
- KOOS JR

Outcomes collected during the initial visit and throughout the episode of care used to evaluate the patient’s progress and the efficacy of different treatment modalities.
• Musculoskeletal disease is prevalent, costly
• Management of MSK conditions is characterized by variation in treatment approach, outcome, cost
• SIGNIFICANT opportunity to drive value through care redesign, payment reform
• Value based payment models drive care redesign efforts by aligning incentives around value delivered to patients
• It’s a journey…
PANEL DISCUSSION
AUDIENCE Q&A
THANK YOU!

We hope you found this webinar valuable. Please share your feedback with us by completing the post-webinar survey.