

Reproduced with permission from BNA's Health Care Daily Report, 133 HCDR, 7/11/18. Copyright © 2018 by The Bureau of National Affairs, Inc. (800-372-1033) <http://www.bna.com>

Medicare

Medicare Agency Extends Bundled Payments Initiative Deadline

Hospitals and doctors will get an extra week to sign up for a new advanced bundled payments initiative from the Medicare agency because of a deadline extension.

The Centers for Medicare & Medicaid Services delayed the deadline for providers to sign their Bundled Payments for Care Improvement Advanced model agreements by one week, until Aug. 8, according to an updated timeline from the agency.

The extended deadline will allow providers ample time to evaluate whether they want to be part of the latest round of testing on an initiative that seeks to improve quality of care for Medicare beneficiaries while also reducing costs to the program.

Members of the health-care industry say the delay was due to the agency not releasing claims information data to interested providers when they originally planned to, in May.

The CMS also extended the due date for program documents to Sept. 14. The program documents include a profile of the clinical episodes the participant agrees to be held accountable for, the planned interventions and changes to the provider's health-care delivery system, a list of physicians participating in the model, and the organizations and/or individuals the provider has a financial arrangement in BPCI Advanced with.

The first round of BPCI Advanced will start Oct. 1, and the next round will start in spring 2019. The original bundled payment initiative started in 2015.

Data Delivery Problems The claims information data, which included episode target prices and summary and raw claims data, did not reach applicants until June, according to the American Hospital Association.

"Distributing data to participants was slow, and for potential participants that discovered issues with receiving data, it required several more weeks to resolve," Amanda Forster, vice president of public relations for Premier Inc., told Bloomberg Law July 10. Premier is a health-care alliance that unites hospitals and other health-care providers across the U.S. "Some participants did not have the full time to review their data in order to make a determination about participation."

The delayed data delivery left less than two months for applicants to review the data prior to the Aug. 1 deadline to sign their participation agreements.

Providers use the data to see how they performed under the original BPCI model and look at how they might

fare under the advanced version, Fred Bentley, vice president of Washington-based health-care consulting firm Avalere Health, told Bloomberg Law July 10.

The extension of the deadline is "material" for providers, Bentley said. It means that the CMS is "honoring its commitment to providers to give them two months to evaluate whether they want to participate or not" in BPCI Advanced.

This is not an "indication of problems with the program . . . this is just giving a little more time and space," Bentley said.

Differences Between Models The BPCI Advanced model allows participants to assume more financial risk and include three outpatient clinical episodes, unlike the original bundled payment initiative. The advanced model also only includes 29 inpatient clinical episodes instead of the 48 offered in the original BPCI model.

There were "meaningful changes" made from the original BPCI model to the new advanced one, Bentley said, but it is "not a big leap of faith" for providers who were on the original model to try the new one.

The BPCI Advanced model qualifies as an advanced alternative payment model (APM), a type of payment system where providers earn rewards for delivering high quality and cost-efficient care in exchange for taking on risk.

Providers receive a fixed price for an episode of care and make a profit by keeping costs below a benchmark price. If they exceed that benchmark price, they are at risk for up to 20 percent of the exceeding costs.

BPCI Advanced is "appealing to organizations that have experience with BPCI," Bentley said, because they "know the levers they can pull or need to pull for success."

The BPCI Advanced model is enticing for physicians because of the potential 5 percent payment bonus, Bentley said, but it's not as attractive to providers who are focused on disease management or population health and not surgical episodes of care.

Although the CMS has not released how many health-care organizations expressed interest in BPCI Advanced, Bentley said there appears to be "strong interest."

The original BPCI model had roughly 1,000 providers participating in it, according to a Bloomberg Law analysis of CMS data.

Bentley said he is interested see how strong a response CMS gets for this model.

BY SHIRA STEIN

To contact the reporter on this story: Shira Stein in Washington at sstein@bloomberglaw.com

To contact the editor responsible for this story: Brian Broderick at bbroderick@bloomberglaw.com