CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
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Findings at a Glance

Comprehensive Care for Joint Replacement (CJR) Model

Evaluation of Performance Years 6 and 7 (Oct. 2021–Dec. 2023)

MODEL OVERVIEW AND YEAR 6 POLICY CHANGES

The CJR model tested whether an episode-based payment model for Lower Extremity Joint Replacements (LEJRs) can lower payments while maintaining or improving quality. Hospitals were financially accountable for the cost of the surgery and health care services for the following 90 days. It used a target pricing approach to determine Net Payments from or Repayments to Medicare.

Model Changes Starting in 2021 (Year 6)

- **Inclusion of Outpatient Procedures:** CMS changed the definition of an episode of care to include total knee arthroplasties (TKAs) and total hip arthroplasties (THAs) performed in the outpatient setting.
- **Adjustments to Target Prices:** The model changed target prices in multiple ways including adding site-neutral pricing for inpatient and outpatient procedures and additional risk adjustment.
- **Changes to Participants**: CMS changed the definition of a participant, including ending the policy that allowed for voluntary participation outside of the 34 mandatory MSAs.

In Performance Years 6 and 7, the CJR Model included…

323 hospitals

34 metropolitan statistical areas

98,000 + joint replacement procedures

36,000+ Inpatient procedures

62,000+ Outpatient procedures

CJR GENERATED STATISTICALLY SIGNIFICANT SAVINGS TO MEDICARE:

$112.7 MILLION SAVED IN PERFORMANCE YEARS 6 AND 7

$90.2 M Estimated Reduction in LEJR Spending

+

$22.5 M Net Payments from or Repayments to Medicare

=

$112.7 M Net Medicare Savings Across PYs 6 and 7

Reductions in episode spending were driven by reductions in payments to inpatient rehabilitation facilities (IRFS), as CJR hospitals decreased patients first discharged to an IRF for both fracture and elective joint replacements.

CJR HOSPITALS MAINTAINED QUALITY WHILE REDUCING COSTS

We estimated **no adverse changes** in quality of care for our four claims-based measures of quality:

- **Complication Rate**
- **Mortality Rate**
- **Unplanned Readmission Rate**
- **Emergency Department Use**

CJR hospitals mirrored national trends in quality.

Both CJR and control hospitals reduced the rates of unplanned readmissions and complications by **more than 10%** since the baseline period.

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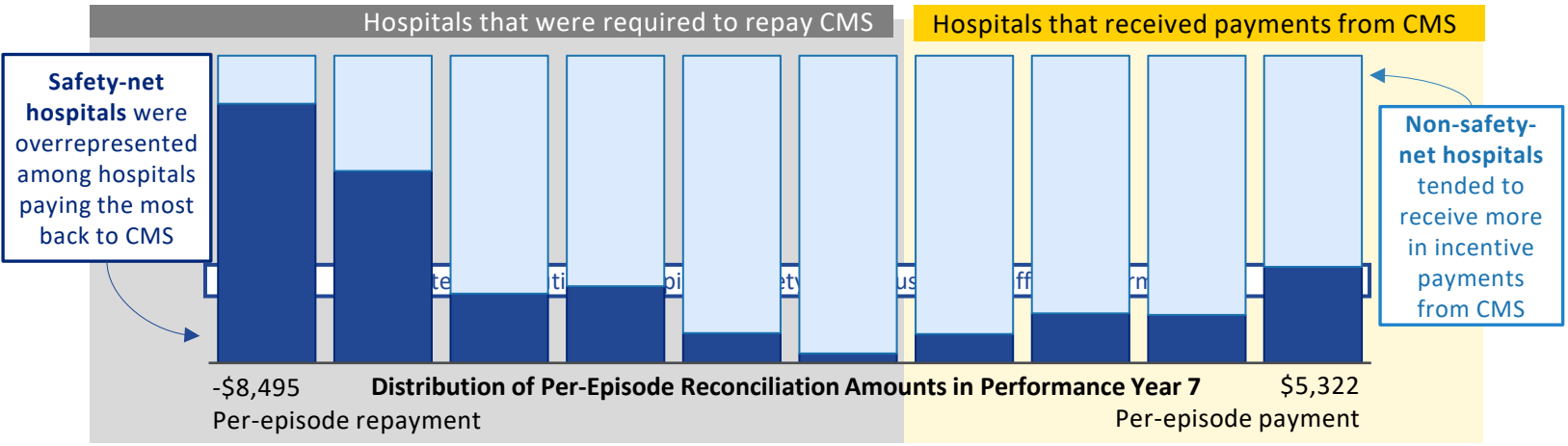
SAFETY-NET HOSPITALS WERE MORE LIKELY TO NEED TO REPAY MEDICARE

After the changes to the model in year 6, more hospitals owed money to Medicare after reconciling expenditures compared to the target prices. Safety-net hospitals (SNHs) performed worse than non-SNHs.



Safety-net hospitals performed fewer and more complex LEJR surgeries and served a greater proportion of higher-need patients.

- **Lower Volume:** Hospitals with fewer LEJR episodes may have had less of an incentive to make substantial changes to care.
- **More Fractures:** Due to the emergent nature of fracture episodes, it was challenging for CJR hospitals to implement care redesign activities prior to these surgeries
- **More Likely to have Complex Needs:** Populations with substantial medical needs and nonmedical needs were challenging to manage and limited the possibility of outpatient treatment.
- **Opportunities Exist:** In interviews, representatives at safety-net hospitals described the approaches they took to care redesign under CJR and their resulting challenges and successes.

KEY TAKEAWAYS

In Performance Years 6 and 7, CJR hospitals continued to achieve value by reducing spending, optimizing post-acute care use, and maintaining quality.

- The CJR Model generated **$112.7 million** in net Medicare savings across performance years 6 and 7.
- CJR hospitals primarily **reduced episode payments** for LEJRs by reducing post-acute care payments.
- CJR hospitals **maintained quality** of care for LEJR patients.
- **Hospitals varied** in their ability to meet the target price. Safety-net hospitals (SNHs) performed worse than non-SNHs.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the CJR Model and to read the latest evaluation reports, visit https://www.cms.gov/priorities/innovation/innovation-models/cjr.