CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Comprehensive Care for Joint Replacement (CJR) Model

Proposed Changes to the Comprehensive Care for Joint Replacement (CJR) Model

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Agenda

- Introduction
- Financial Arrangements and Beneficiary Incentives
- Pricing and Reconciliation
- ACO Beneficiary Exclusions
- Composite Quality Score Methodology
- Beneficiary Notification
- SNF 3-Day Waiver Beneficiary Protections
- Advanced Alternative Payment Model (APM)

Notice of Proposed Rulemaking

- On August 2, 2016, CMMI published a proposed rule titled, "Advancing Care Coordination Through Episode Payment Models (EPMs); Cardiac Rehabilitation Incentive Payment Model; and Changes to the Comprehensive Care for Joint Replacement Model (CJR)"
- Proposed rule available at Notice of Proposed Rulemaking
- The rule proposes:
  - Three new episode payment models (EPMs)
  - A cardiac rehabilitation (CR) incentive payment model
  - Refinements to the CJR model
- Public comment period closes October 3rd, 2016

Introduction

- The majority of CJR policies from the CJR final rule remain the same. The proposed changes to the CJR model do NOT propose any changes to eligibility for CJR model participation.
    - CJR participant hospitals continue to be hospitals whose primary address is in a selected CJR MSA.
    - CJR participant acute care hospitals continue to be paid via the Inpatient Prospective Payment System (IPPS).
- CMS is proposing to clarify, modify and update certain provisions of the CJR model around target pricing, composite quality, and beneficiary incentives and exclusions which we will discuss in greater detail in the following slides.

Financial Arrangements

Under current CJR regulations:

- CJR collaborators include: SNF, HHA, LTCH, IRF, physician, non-physician practitioner, provider/supplier of outpatient therapy services, and or a PGP.
- A collaborator agreement is a written, signed agreement between a CJR collaborator and a participant hospital.
- A sharing arrangement is a financial arrangement between a CJR collaborator and a participant hospital.
- A collaborator agreement must contain a description of the sharing arrangement between the participant hospital and the CJR collaborator regarding gainsharing payments and alignment payments.

Financial Arrangements

We are proposing the following changes to the CJR model financial arrangements provisions:

- Allow ACOs, hospitals, and Critical Access Hospitals (CAHs) to be CJR collaborators.
- Delete the term “collaborator agreement” and transition the requirements of collaborator agreements to requirements of sharing arrangements.
- For purposes of financial arrangements, CMS would add the term “CJR activities” to identify activities that participant hospitals and their collaborators undertake to promote accountability for the quality, cost, and overall care for CJR beneficiaries.
- Consolidate CJR model requirements for access to records and retention and apply them more broadly in the model.

Beneficiary Incentives

- Currently, CJR model regulations allow for participant hospitals to provide in-kind patient engagement incentives to beneficiaries in CJR episodes.

- We are proposing to consolidate the requirements under the CJR model for access to records and retention and apply them more broadly in the model, including all requirements for access to records and retention related to beneficiary incentives.

Pricing & Reconciliation

We are proposing the following changes to the CJR model pricing and reconciliation provisions:

- Under current CJR regulations, reconciliation and repayment amounts from CJR and regional episodes (including BPCI episodes) would not be included in updating historical episode spending for Performance Years 3–5 target prices. We are proposing to change this by including these amounts when we update historical episode spending for Performance Years 3-5.
- Currently, CJR hospitals receive a prospective target price reflecting a 3% discount. We are proposing to replace the term "target price" with "quality-adjusted target price" to reflect the link between quality and the target price at reconciliation. The prospective price will still reflect a 3% discount.

Pricing & Reconciliation

- **Reconciliation:**
  - Under current CJR policy, we would calculate post-episode spending at the same time as the reconciliation for a performance year. We propose to modify this timeline and calculate post-episode spending when the subsequent reconciliation calculation for a performance year occurs, beginning 14 months after the conclusion of a performance year.
- **Stop-Loss and Stop-Gain:**
  - Under current policy, we would include post-episode payments and ACO overlap calculations in the stop-loss and stop-gain limits. We are proposing to exclude these amounts from the application of stop-loss and stop-gain limits.
  - Only actual episode spending (net payment reconciliation amount and subsequent reconciliation calculation) would be subject to stop-loss and stop-gain.

ACO Beneficiary Exclusions

- Currently, beneficiaries aligned or assigned to an accountable care organization (ACO) are included in the CJR model.
- We are proposing that beginning on July 1, 2017, we would cancel (or never initiate) CJR episodes for beneficiaries that are prospectively aligned to a Next Generation ACO or ESRD Seamless Care Organization in a downside risk track.

Use of Quality Measures & Composite Quality Score

As finalized in the CJR final rule, CMS currently:

- Calculates quality performance points based on the participant hospitals' performance percentiles relative to the national distribution of results for that measure
- Defines quality improvement as an increase of at least 3 deciles on the performance percentile scale
- Calculates quality improvement points by comparing hospitals' performance percentiles to the previous performance year
- Determines the four quality categories using the composite quality score point values indicated in the table below

Quality Category	Current Composite Quality Score Cut-off Values
Below Acceptable	<4.0
Acceptable	≥4.0 and <6.0
Good	≥6.0 and ≤13.2
Excellent	>13.2

Use of Quality Measures & Composite Quality Score

CMS is proposing the following changes:

- Calculate quality performance points based on the performance percentile relative to the performance distribution of all "subsection (d)" hospitals that are eligible for payment under IPPS and meet the minimum patient case or survey count for that measure
- Define quality improvement as an increase of at least 2 deciles on the performance percentile scale
- For PY 1 only, compare the performance percentile with the corresponding time period in the previous year; for PY 2-5, continue to compare the performance percentile to the previous performance year
- Modify the composite quality score point values that determine the four quality categories as indicated in the third column in the table below

Quality Category	Current Composite Quality Score Cut-off Values	Proposed Composite Quality Score Cut-off Values
Below Acceptable	<4.0	<5.0
Acceptable	≥4.0 and <6.0	≥5.0 and <6.9
Good	≥6.0 and ≤13.2	≥6.9 and ≤15.0
Excellent	>13.2	>15.0

Beneficiary Notification

- Currently, CJR participant hospitals and collaborator physicians and post-acute care providers are required to notify beneficiaries about the CJR model.

- We are proposing the following changes to the CJR model related to beneficiary notification provisions:
  - All collaborators, including physician group practices, collaborating hospitals, and ACOs are to provide notification materials to beneficiaries.
  - All providers and suppliers must be able to provide evidence of compliance with beneficiary notification requirements to facilitate monitoring and auditing.

SNF 3-Day Waiver Beneficiary Protections

- The CJR final rule includes a waiver of the SNF 3-day rule. The waiver waives Medicare's 3-day stay requirement for CJR participant hospitals under the following conditions:
  - Available for use for episodes beginning on or after **January 1, 2017**.
  - Beneficiary is discharged to a SNF that has a quality rating of 3 stars or higher on a rolling basis for 7 of the past 12 months.
  - If a beneficiary is discharged to a non-qualified SNF before the 3-day stay requirement is met, a discharge planning notice is required.

- The EPM rule is NOT proposing to change any of these SNF 3-day waiver conditions.

SNF 3-Day Waiver Beneficiary Protections

- To ensure proper use of the SNF 3 day-rule waiver established for the CJR model and, in particular, to protect beneficiaries from financial liability in cases of misuse of the waiver, **we are proposing the following:**
  - CMS would cover services furnished under the waiver when the enrollment information available to the provider at the time the services under the waiver were furnished indicated that the beneficiary was included in the model.
  - In cases where the participant hospital discharges a beneficiary without a 3-day qualifying stay to a SNF not on the list provided by CMS and does not provide a discharge planning notice indicating potential financial liability, the hospital would be financially liable for non-covered SNF stays.

Advanced APM

- CJR meets the proposed criteria for Advanced APMs in the Quality Payment Program proposed rule for quality measures as well as nominal risk criteria beginning in Performance Year 2 for most CJR participant hospitals.
- We propose adding CJR features that could permit CJR participant hospitals to be in an Advanced APM that would allow eligible clinicians to be considered for a qualifying APM participant (QP) determination. These proposed features include:
  - **Track 1 (Advanced APM)**
    - CJR participant hospitals that meet requirements for use of certified electronic health record technology (CEHRT) and financial risk.
  - **Track 2 (Non-Advanced APM)**
    - CJR participant hospitals that do not meet requirements for use of CEHRT and financial risk.
  - **CJR participant hospitals must meet and attest to the CEHRT use requirement to participate in Track 1.**

Submitting Comments

The proposed rule was published on August 2, 2016 in the Federal Register and can be downloaded from the Federal Register at:

EPM Notice of Proposed Rulemaking

Please note fax submissions will NOT be accepted. You must officially submit your comments via:

- Regulations.gov (electronically)
- Regular mail
- Express or overnight mail
- Hand/courier

We note that the proposed rule includes proposed changes not reviewed in this presentation. We will not consider feedback during this call as formal comments on the rule. Please reference the proposed rule for information on submitting these comments by the close of the 60-day comment period on October 3, 2016. When commenting refer to file code **CMS-5519-P.**

- For additional information on the EPMs, please visit https://innovation.cms.gov/initiatives/epm
- For additional information on the CJR model, please visit https://innovation.cms.gov/initiatives/CJR

Questions

- Please submit questions using the chat Q and A function