Bundled Payments for Care Improvement Initiative

RFA and Model 4 Application Clarifications & Modifications

Last Updated on January 5, 2012

RFA Clarifications

Many more and different combinations of partnerships were submitted in the Models 2-4 letters of intent than anticipated at the time of drafting the RFA. We are therefore providing potential applicants with the following clarifications. *(January 5, 2012)*

Applicants may apply as one of three types of applicants:

- Risk-bearing awardee (non-convener)
- Risk-bearing awardee convener
- Facilitator convener (non-risk-bearing)

With respect to the two types of risk-bearing applicants, we are clarifying:

- Individual providers/suppliers are eligible to be non-convener risk-bearing awardees. They would be responsible for their eligible patients only. In the case of a physician group practice, skilled nursing facility, etc. the awardee would be responsible for all of its eligible patients, regardless of the other providers (including hospitals) where the patients receives care during the episode. Awardees would be expected to partner with other providers/suppliers to redesign care and gainshare, but in this scenario they would not take risk for the partner providers/suppliers' patients that could meet the episode definition but are not cared for by the awardee.

- Providers/suppliers would be awardee conveners if their model more broadly includes patients of other providers that initiate episodes (hospitals in Models 1, 2, and 4, and post-acute providers in Model 3). In this scenario, the awardee convener would be responsible for all of its eligible patients regardless of the other providers where the patient receives care during the episode and its episode-initiating partners' eligible patients, even those that are not cared for by the awardee during the episode.

- Parent companies, health systems, and other organizations that wish to take risk for the patients of its partner providers/suppliers but are not providers/suppliers themselves would be awardee conveners. In this scenario, the awardee convener would be responsible for all of its episode-initiating partners' eligible patients.

With respect to the one type of non-risk-bearing applicant, we are clarifying:

- An entity may submit an application in partnership with multiple providers, where the entity would participate as a facilitator convener. In this capacity, the convener could serve an administrative and technical assistance function for one or more designated awardees. In this arrangement, the facilitator convener would not have an agreement with CMS, bear financial risk, or receive any payment from CMS. The facilitator convener could share in the financial risk or cost savings from increased efficiencies

experienced by designated awardee(s) through contracts between the convener and the awardee(s). A convener applying on behalf of designated awardees in a facilitator role must specify in the application:

- The designated awardee(s), which is defined as the provider that would bear financial risk and receive payments from CMS (using the same rules as non-convener risk-bearing awardees); and
- The financial arrangements between the facilitator convener and each designated awardee/risk- bearing entity.

Model 2 Application Clarifications

- (December 8, 2011) Previously, the instructions (Page 2) stated:
  - The total application package, including the application form and all appendices, must be no more than 90 pages in length, excluding letters of agreement from participating providers.
  - Facilitator conveners are allowed an additional 10 pages per proposed awardee for appendices, beyond the additional copies of sections A and E for each proposed awardee.

  We are modifying the instructions to specify: *(January 5, 2012)*
  - The application, table appendices, and letters of agreement from participating providers are not included in an overall page limit.
  - Appendices that are meant to address questions with asterisks and double asterisks should be submitted as one attachment per question that includes responses for all Bundled Payment participating organizations in that attachment. We request that applicants limit the length of these attachments to no more than ½ page per Bundled Payment participating organization.
  - All other appendices are limited to no more than 10 pages.
  - Facilitator conveners are allowed an additional 10 pages per proposed awardee for appendices, beyond the additional copies of sections A and E for each proposed awardee and the Bundled Payment participating organization appendices to address questions with asterisks and double asterisks.

- Question E-10 Geography *(January 5, 2012)*
  - We are not requiring a specific definition of geography. We are interested in understanding your market share in relation to other providers in your area. Please describe the area you consider to be your market and your market share within that area.

- Question E-16 Governing Body *(January 5, 2012)*
  - Please describe the governing body for your organization and your Bundled Payment participating organizations. We are interested in the level of commitment expressed by these governing bodies.

- Please also describe how the initiative will be governed and whether Bundled Payment participating organizations, providers, and consumers will be a part of that governance.

- Question E-9 Experience *(January 5, 2012)*
  - Please provide further description of your experience working with your proposed Bundled Payment participating organization partners. Explain your current referral patterns, how your Bundled Payment participating organization partners represent current referral patterns, and any changes you and your partners expect to make to referral patterns as a result of this initiative.

- Question B-9 Physician Notification *(January 5, 2012)*
  - Please describe your plans to notify all physicians on your medical staff, not just those typically furnishing care related to the proposed episode.
  - In the case of a hospital system where all hospitals have the same CCN, all of these hospitals are required to participate and the episode definitions may not vary by hospital. In the case of a hospital system where hospitals have different CCNs, the hospital system may designate which hospitals are participating and the specific episode definitions for each hospital. We expect written agreements from individuals who are able to pledge participation on behalf of those hospitals.

- Appendix Tables *(January 5, 2012)*
  - For all Tables, please provide information on FFS Medicare wherever information about Medicare is requested, unless otherwise specified.

  - Table A-6 CCNs *(January 5, 2012)*
    - Please provide the applicant CCN/TIN/NPI as well as all Bundled Payment participating organization CCNs/TINs/NPIs. If the organization listed is an institution (hospital, SNF, IRF, LTCH), the application will not be processed without a valid CCN. Include TINs and NPIs for all organizations.

  - Table B-2 Volume *(January 5, 2012)*
    - Please use the appropriate MS-DRG version (v25, v26, v27) to the applicable time period (calendar years 2008 and 2009). If you would like to include an MS-DRG for an episode that has changed from one version to another, please include both on separate rows in the table and specify the relevant period of time.
    - Applicants should provide the volume of patients with the proposed MS-DRGs that would be eligible for inclusion in the episode.
      - In the case of non-convener risk-bearing awardees that are individual Medicare providers or suppliers, this would include all eligible patients seen by the awardee regardless of the other

providers (including hospitals) where the patients receive care during the episode.

- In the case of awardee conveners that are Medicare providers or suppliers whose model more broadly includes patients of other providers that initiate episodes (hospitals in Model 4), applicants should include volume for all its eligible patients regardless of the other providers where the patient receives care during the episode and its episode-initiating partners' eligible patients, even those that are not cared for by the awardee during the episode.
- For awardee conveners that are not Medicare providers or suppliers themselves but wish to take risk for the patients of its partner providers or suppliers, applicants should include volume for all of its episode-initiating partners' eligible patients.

o Table E-8 Revenues *(January 5, 2012)*
  - Please provide the percent of net patient revenues by payer.