



Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model Extension for Two Years (2024-2025) and Changes for Model Year 6 (2023) Fact Sheet

BPCI Advanced Model Extension Announced

On October 13, 2022, CMS announced that the Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model will be extended for two years. The BPCI Advanced Model, which launched on October 1, 2018, was set to end on December 31, 2023, and will now conclude on December 31, 2025.

BPCI Advanced is an Advanced Alternative Payment Model (Advanced APM) under the Quality Payment Program and tests whether linking payments for an episode of care will incentivize health care providers to invest in practice innovation and care redesign to improve care coordination and reduce expenditures while maintaining or improving the quality of care for Medicare beneficiaries.

As of December 31, 2021, over 1.2 million Medicare beneficiaries have received care from Participants in the BPCI Advanced Model, and over 1,800 Acute Care Hospitals (ACHs) in coordination with 69,867 physicians have engaged in care redesign activities because of participation in the BPCI Advanced Model. Overall, in the first two model years, Medicare providers and suppliers in the BPCI Advanced Model have lowered health care spending without reducing quality. Key findings of the independent evaluation of the BPCI Advanced Model for Model Years 1 and 2 (October 2018-December 2019) have shown that ACH Episode Initiators (EIs) were more likely to participate in medical Clinical Episodes such as congestive heart failure; while EIs that are Physician Group Practices (PGPs) were more likely to participate in surgical Clinical Episodes such as major joint replacement of the lower extremity. Also, PGPs participating in the model reduced unplanned hospital readmissions for surgical episodes.

This two-year extension will include a new application opportunity. CMS plans to announce a Request for Applications (RFA) in early 2023 for Medicare-enrolled providers and suppliers and Medicare Accountable Care Organizations (ACOs) to participate in the Model's two-year extension (2024-2025). To be eligible for participation in the extension, Convener Applicants must be Medicare-enrolled entities or ACOs. Existing Convener Participants will be permitted to remain in the BPCI Advanced Model during the extension years, and ACHs and PGPs may join existing Convener Participants as downstream Episode Initiators during this period. Those interested in applying as Non-Convener Applicants will need to either be an ACH or a PGP.

Both Convener Participants and Non-Convener Participants active during Model Year 6 (2023) will have the opportunity to continue to participate in the BPCI Advanced Model by signing an Amended and Restated Participation Agreement for Model Year 7 (2024).

Additionally, EIs (ACHs or PGPs) who previously participated in the model, but are no longer active, will also have the opportunity to apply for Model Year 7 (2024). More details will be made available on participating in the extension in the coming months.

Pricing Methodology Changes for Model Year 6 (2023)

CMS may alter the design of a model to strike a balance between participation incentives and the need to meet statutory requirements to either improve quality without increasing spending, reduce spending without reducing quality, or improve quality and reduce spending. To improve the pricing methodology and keep providers and suppliers engaged in value-based care through the BPCI Advanced Model in Model Year 6 (2023), the following changes will be implemented:

- Reducing the CMS Discount for medical Clinical Episodes from 3% to 2%.
- Reducing the Peer Group Trend (PGT) Factor Adjustment cap for all Clinical Episodes from 10% to 5%.
- Making major joint replacement of the upper extremity (MJRUE) a multi-setting Clinical Episode category by including outpatient total shoulder arthroplasty (TSA) procedures (triggered by HCPCS 23472) in the model. CMS will also include a trauma/fracture flag and MJRUE procedure group flag along with their interactions in the risk adjustment for this Clinical Episode.
- Holding Participants accountable for all Clinical Episodes in which the beneficiary has a COVID-19 diagnosis during the Clinical Episode (explained in greater detail below).

The two-year extension will allow CMS to test and evaluate these changes for Model Year 6 for three years total.

Change in COVID-19 Policies in the Pricing Methodology

In Model Year 6 (2023), CMS will change how beneficiaries with a COVID-19 diagnosis during the episode of care are accounted for during the bi-annual Reconciliation process for Participants in the model. In June 2020, CMS offered Participants a COVID-19 Bilateral Amendment to the BPCI Advanced Participation Agreement for Model Year 3 (2020), which was meant to alleviate the burden on Participants due to the limited availability of staff and unpredictable health care expenses amid the COVID-19 Public Health Emergency. The most significant change was to exclude beneficiaries who had a COVID-19 diagnosis during the episode of care from Model Reconciliation, to eliminate the Participant's financial liability associated with COVID-19 Clinical Episodes. After approximately 3 years of this policy, a considerable number of Participants have

raised concerns that the exclusion of Clinical Episodes where the beneficiary had a COVID-19 diagnosis, has reduced episode volume under the model. With the advent of COVID-19 vaccines and treatments, health care providers are better equipped to manage COVID-19 patients than during the beginning of the COVID-19 pandemic. Therefore, beginning in Model Year 6 (2023), Participants will be accountable for Clinical Episodes where the BPCI Advanced beneficiaries have a COVID-19 diagnosis during the episode of care. This change is expected to increase Clinical Episode volume.

The CMS Innovation Center's Specialty Care Plans

The CMS Innovation Center is building on current lessons, challenges, and barriers to test models that provide tools, support, and financial incentives that will enable greater integration of primary and specialty care to meet the needs of an increasingly complex population of beneficiaries. Integrated and coordinated care for beneficiaries is an essential feature of a health system that achieves equitable outcomes through accountable, high-quality, affordable, person-centered care. One aspect of our specialty care strategy is to continue testing bundled payment models.

Bundled payments for specialty care complement care transformation in other initiatives, and strategic implementation of episode-based models can help fill the geographic and demographic gaps where accountable entities have yet to extend their reach and can keep moving the health system toward accountability for quality and spending outcomes.

The CMS Innovation Center looks forward to providing more details on its specialty care strategy soon and encourages those interested to attend the [Health Care Payment Learning & Action Network \(LAN\) Summit](#) on November 9 and 10, 2022.

A complete BPCI Advanced Model Overview Fact Sheet for Model Year 6 (2023) is available here <https://innovation.cms.gov/media/document/bpcia-model-overview-fact-sheet-my6>.

For more information, please visit <https://innovation.cms.gov/innovation-models/bpci-advanced>. You can also contact the BPCI Advanced Model team at BPCIAdvanced@cms.hhs.gov.