

Bundled Payment Program

BUNDLED PAYMENTS ARE HERE TO STAY

Government and commercial payers alike have made major shifts away from the traditional volume-based, fee-for-service reimbursement models and toward bundled payment. With BPCI Phase II implementation programs already in place and CJR programs slated to start in 2016, Medicare has made its intentions clear. Bundled payments are here to stay. In light of this, various commercial health plans and employers across the country have also commenced bundled payment programs as they transition to value-based reimbursement models.

ACCELERO'S PROGRAMS ARE HERE TO HELP

Whether a hospital enters bundled payment through a voluntary or mandatory arrangement, achieving success will be a challenge. Improving care transitions, quality metrics, and patient satisfaction will require a higher level of clinical team alignment, operational transformation, and cultural change than ever before. This document describes some of the key areas that Accelero has been helping hospitals across the country improve their readiness and performance in bundled payment programs over the past few years

Focusing on the Entire Episode of Care

The traditional hospital-based cost cutting initiatives will not be enough to be successful in value-based reimbursement models like bundled payment. These models will force hospitals, physicians, and other providers to work closely to coordinate the entire episode of care and focus on the areas where cost and variability are high. In programs like CJR, post-acute care utilization and readmissions are two key areas that typically stand out.

Example CJR Episode (MS-DRG 469, 470)



Decreasing Post-Discharge Costs

For many hospitals, high variability in post-discharge costs represents the most relevant opportunity to provide the best care at the lowest possible costs. Thus, a substantial part of the early rewards or penalties in the CJR program may be tied to post-discharge costs. The list below outlines some of the key elements that Accelero is helping hospitals utilize the right amount of post-discharge care:

- Establish patient discharge expectations
- Align order sets and care pathways with hospital discharge goals
- Develop patient discharge criteria checklist
- Establish relationships with post-discharge providers and ensure care process expectations are aligned

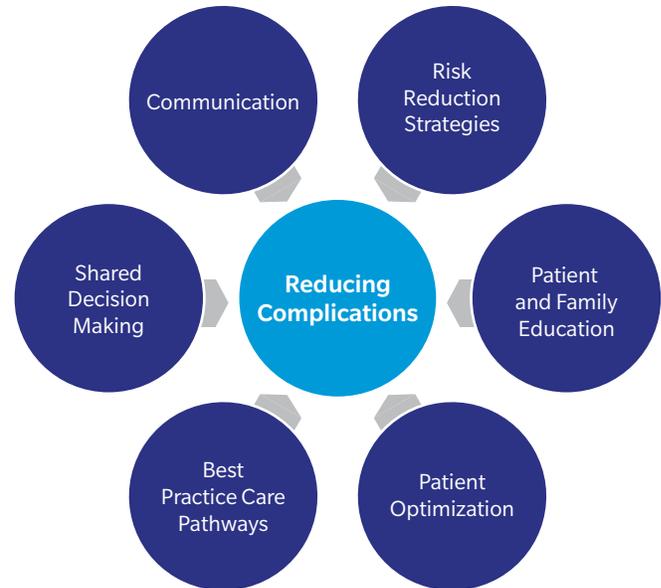
Preventing Readmissions

A single readmission can cost as low as \$10,000 and much as \$125,000. Avoiding costly readmissions will significantly shift the bundled payment scenarios in your favor. Doing so requires the right processes and programmatic elements at every point of care. The graphic below provides an example of areas that Accelero provides expert resources, proven processes, and innovative tools to prevent unnecessary readmissions.



Improving Quality Scores

Since most bundled payment programs include a provision that adjusts reimbursement through a quality composite score; compromising quality to achieve cost savings can impact a hospital's reimbursement as much as 3%. In CJR, future reimbursement will be largely tied to performance in complication rates and HCAHPs patient satisfaction scores. The graphic below provides an example of areas that Accelero provides onsite expertise to reduce complications and improve the overall patient experience.



Achieving Internal Cost Savings

While traditional internal cost savings do not impact the reconciliation/repayment risk scenario in bundled payment programs like CJR, hospitals will continue to maximize their anchor admission payment through cost savings measures. This will force hospitals to look beyond supply chain initiatives and look to operational areas that offer higher value like perioperative and acute care efficiencies. Additionally, some joint replacement bundled payment programs will include more complex/higher complication procedures such as partial hip replacement. Whether it's a primary joint replacement or partial hip replacement, every hour lost increases the cost and likelihood of an adverse outcome. With that in mind, Accelero has designed its Joint Advantage and Fracture Advantage programs to deliver efficiencies and cost savings in an accelerated timeframe.

ACCELERO'S RISK IS YOUR REWARD

How confident are we in our programs? Accelero is poised to deploy its program and expertise through a **risk-based program offering**. To learn more how Accelero can help you achieve bundled payment goals, please contact us at info@accelerohealth.com.



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