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Findings at a Glance

Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model

Model Years 1, 2 & 3 (through January 1, 2020)

MODEL OVERVIEW

The Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model, launched on October 1, 2018, tests whether linking payments for a clinical episode of care can reduce Medicare expenditures while maintaining or improving quality of care. BPCI Advanced participants are financially accountable for the cost and quality of health care services during an episode, which begins with a hospitalization or an outpatient procedure and ends 90 days after discharge or the procedure.

At the end of each performance period, episode payments are compared to the episode initiating hospital's or physician group practice's (PGP) target price. Participants can earn a reconciliation payment if episode payments are below their target price and participants repay Medicare if episode payments are above their target price, after considering the quality of their care. Thus, participants have incentives to coordinate care across all providers involved in the entire episode.

PARTICIPANTS IN MODEL YEAR 3

Participants were able to join the model on October 1, 2018 or January 1, 2020.

BPCI Advanced hospital episode initiators (EIs) were larger, urban facilities that were more likely to be part of a health system and located in more competitive markets than all eligible hospitals.

Nearly half (47%) of BPCI Advanced PGPs were new entities that did not exist prior to the model.

As of January 1, 2020

694	Unique participants
92	Convener participants
602	Non-convener participants
1,010	Hospital EIs
1,031	PGP EIs

REACH OF THE MODEL

Through Model Year 3:

33% of eligible hospitals and 1,166 PGPs participated in the model.

Through the first ten months of the model:

Approximately 23% of BPCI Advanced eligible discharges and outpatient procedures were at a BPCI Advanced hospital or were attributed to a BPCI Advanced PGP.

24% of eligible clinicians participated in the model.

PARTICIPATION DECISIONS THROUGH MODEL YEAR 3

Entry Decisions

EIs and conveners joined the model to:

- Achieve financial gains
- Build on past success in other initiatives
- Gain experience applicable to future initiatives
- Drive care transformation

Conveners

Conveners provided downstream EIs with:

- Data analysis
- Performance monitoring
- Management of administrative requirements

Net Payment Reconciliation Amount (NPRA) Sharing

Among EIs engaged in NPRA sharing, the most common reason for doing so was to incentivize physician engagement.

Other EIs chose not to implement NPRA sharing because they felt it was not necessary to drive care transformation or because it was overly burdensome.

Care Redesign Strategies

EIs typically focused their care redesign efforts on reducing hospital readmissions and post-acute care utilization.

Care redesign for planned surgical procedures often included pre-admission patient education and starting the discharge planning process prior to the procedure.

This document summarizes the evaluation report prepared by an independent contractor.
To learn more about the BPCI Advanced Model and to download the Year 2 Evaluation Annual Report, visit
https://innovation.cms.gov/initiatives/bpci-advanced

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HOSPITAL FINDINGS THROUGH THE FIRST TEN MONTHS

PAYMENT

Reduction in payments were primarily driven by reductions in skilled nursing facility (SNF) and inpatient rehabilitation facility (IRF) payments.

UTILIZATION

Fewer patients were discharged to an institutional post-acute care facility, such as a SNF or IRF. For patients who had a SNF stay, the average stay was shorter.

QUALITY

Quality of care was generally maintained. Beneficiary surveys indicated no differences in self-reported changes in functional status, care experience, or satisfaction with care between BPCI Advanced and comparison respondents.

NET MEDICARE SPENDING

Despite hospitals reducing average episode payments in seven out of 13 clinical episodes analyzed over the first 10 months, after accounting for reconciliation payments made to participants, Medicare experienced estimated net losses under BPCI Advanced.

Clinical Episode	Decline in FFS Payments	Reconciliation Payments	Net Savings to Medicare	Percent Savings
Congestive Heart Failure	$14,971,891 *	$80,043,888	($65,071,997) *	-6.1%
Sepsis	$48,524,675 *	$105,962,104	($57,437,429) *	-2.8%
SPRI	$1,153,440	$28,984,998	($27,831,558) *	-4.4%
Stroke	$12,730,868 *	$24,434,484	($11,703,616) *	-2.2%
Renal failure	$2,108,594	$12,074,252	($9,965,658) *	-3.0%
COPD, Bronchitis, Asthma	$8,608,719 *	$18,390,596	($9,781,877) *	-2.6%
Cardiac Arrhythmia	$3,423,815	$11,897,536	($8,473,721) *	-2.9%
Acute Myocardial Infarction	$3,042,421	$7,449,651	($4,407,230)	-1.7%
Gastrointestinal Hemorrhage	($545,092)	$2,141,134	($2,686,226)	-1.7%
PCI (Outpatient)	$1,531,004	$677,957	$853,047	1.2%
Hip & Femur Procedures	$10,364,908 *	$4,429,872	$5,935,036 *	2.2%
Urinary Tract Infection	$12,796,218 *	$2,988,315	$9,807,903 *	2.9%
MJRLE	$15,933,866 *	($6,215,108)	$22,148,974 *	6.2%

Percent savings is calculated as a percent of baseline Medicare payments. FFS=fee-for-service; SPRI=simple pneumonia and respiratory infections; COPD=chronic obstructive pulmonary disease; PCI=percutaneous coronary intervention; Hip & Femur=hip and femur procedures except major joint; MJRLE=major joint replacement of the lower extremity. * indicates statistical significance, $p < 0.10$.

KEY TAKEAWAYS

Early evidence from the independent evaluation of the BPCI Advanced Model indicates that participating hospitals reduced Medicare FFS payments for most of the clinical episodes evaluated while maintaining quality of care. However, Medicare experienced net losses in the first ten months of the model after accounting for reconciliation payments. This underscores the challenges of identifying appropriate benchmarks in setting target prices within a prospective payment framework. Voluntary model entry and exit further exacerbate these pricing challenges. CMS made significant design changes starting in Model Year 4 (2021) to improve the model's financial sustainability. Future evaluation reports will analyze the impact of these changes as well as the impact of participating PGPs.