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CMS BPCI Advanced: Learn what has changed and why you should participate

The Centers for Medicare and Medicaid Services (CMS) delivered the next generation of the Bundle Payment for Care Improvement (BPCI) program on January 9, 2018, with BPCI Advanced. Using the findings from the original BPCI program, CMS refined the bundle definitions, focusing on volume episodes, and expanded the eligibility to incorporate physician group practices, including surgical centers.

Spotlight on the BPCI Advanced program

The chart below reflects the major components of BPCI Advanced compared to the original BPCI program.

Key area	CMS BPCI direction	BPCI	BPCI Advanced
Participation	• Acute Care Hospitals (ACHs) • Physician Group Practices (PGPs) • Conveners	Mandatory	Voluntary
Bundle definitions	Introduction of outpatient episodes; streamlined inpatient episodes	48 inpatient clinical episodes	29 inpatient and 3 outpatient clinical episodes
Quality measures	Quality measures play a role in reimbursement	No quality measures	Quality measures required for payment
Post-acute care's role	Excludes post-acute care (PAC) providers from being episode initiators	PAC (skilled nursing facilities [SNFs], inpatient rehab and home health) providers are episode initiators	PAC (SNFs, inpatient rehab and home health) providers are not episode initiators
Risk tracks	Elimination of choice in risk tracks	Choice of 3 risk corridors to help align outlier episode risk that fits your program	One risk track focus (90-day period post-discharge)
MACRA eligibility	Episode eligibility now available		Considered a MACRA advanced payment model

Reasons to participate in the BPCI program

Medicare data supplied by CMS for applicants the previous four years (CY 2013–2016) reveals several key findings regarding bundles—primarily, that bundles:

- Help organizations identify and understand true costs
- Provide insights on the utilization of post-acute care
- Provide benchmarks for an organization's total episode costs by condition and compare them to national averages of well-managed cases
- Provide cost comparison across multiple facilities for an organization
- Strengthen offerings by partnering with high performing networks

Participating in the BPCI Advanced Program creates an opportunity to leverage the right set of bundles to reinforce care pathways and improve outcomes while managing costs. As experience grows with bundle programs, they can be leveraged beyond Medicare into commercial programs.

In addition to the CMS BPCI program, many states have rolled out value-based purchasing (VBP) programs that require Medicaid plans to adopt bundles and other volume-to-value approaches to recipient care. Several of these programs are mandatory, requiring that a meaningful amount of medical spend occur via VBP payment models, and instituting penalties for failure to do so. As with BPCI bundles, Medicaid-driven bundles and alternative payment approaches can be leveraged across commercial lines of business.

Strategic considerations to identify the right bundle program for your organization:

1. **Bundle strategy:** Evaluating which bundles align to your organization is crucial to success. Avoid deploying episodes that are outside of your target strength by answering the following questions:
    - What episodes have high volume? What is the average payment?
    - How do you compare against CMS-delivered benchmark data?
    - What episodes are both high-quality and efficient?
    - What episodes have clear care pathways? What episode definitions contain gaps in care that are not filled by your integrated network?
    - What episodes are manageable for non-participating providers (PAR) compliance?
2. **Risk strategy:** Identifying the right risk model for your organization is critical. Consider the following:
    - Is your organization prepared to own the risk and manage the care pathway within your system?
    - Do you need to share risk and/or partner with an organization that can supplement your program? Is partnering with a convener the right approach to administer your program and help manage financial risk?

3. **Quality strategy:** Seven quality measures were selected by CMS to track and improve patient outcomes. Both the All-cause Hospital Readmission Measure and the Advanced Care Plan are required for all clinical episodes, while the other five only apply to specific clinical episodes, including perioperative care, hospital-level risk standardized complication rate, hospital 30-day, all-cause, risk-standardized mortality rate, excess days in acute care after hospitalization for acute myocardial infarction and patient safety indicators. When thinking about your quality strategy, consider the following:

   - Do you already have a quality program in place that aligns to the definitions of quality?
   - How do you incorporate quality into your program?

Key factors for building and deploying a bundle program:

Optum®, agrees with CMS* that there are five important building blocks to consider when creating and implementing a bundle program. They are:

1. **Care redesign:** Support and encourage participants, practitioners and episode initiators who seek to continuously reengineer care.
2. **Data analytics and feedback:** Decrease the cost of each clinical episode by eliminating unnecessary or low-value care, increasing care coordination and fostering quality improvement.
3. **Financial accountability:** Develop and test the payment model that creates extended financial accountability for the outcomes of improved quality and reduced spending in the context of acute and chronic clinical episodes.
4. **Health care provider engagement:** Create an environment that stimulates the development of new evidence-based knowledge.
5. **Patient and caregiver engagement:** Offer patient education and ongoing communication throughout the clinical episode to help promote better health at a lower cost.

Engaging the right stakeholders within your organization, upfront planning, implementation and measurement of your bundle program will enable a better chance of program success.

How Optum helps

Optum has proven capabilities, solutions and expertise that can help you address the complex and challenging bundle payment landscape. We provide the full spectrum of advisory and financial services to define, implement, administer and evolve bundle payment programs aligned to meet your financial, operational, compliance and customer satisfaction objectives.

***Source:** Centers for Medicare and Medicaid Services. BPCI Advanced fact sheet. innovation.cms.gov/Files/fact-sheet/bpci-advanced-generalfs.pdf. Accessed Feb. 14, 2018.

Contact Optum to learn how we can help you assess and address BPCI Advanced.

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David leads the development of financial administration platforms used to execute value-based contracting programs. Prior to joining Optum, David spent 17 years working with an enterprise network administration and claim pricing organization. Serving as both COO and CIO, David gained a great appreciation for finding the right operational and technical balance that align to organizations' visions. Today, David focuses on enabling organizations to better deploy their payment innovation strategies.

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