



RLI Power Hour Webinar Series

Understanding Bundles of Care Payment Models from Multiple Perspectives

Wednesday, June 17, 2020



THANK YOU!

The Radiology Leadership Institute (RLI) thanks the American Medical Association (AMA) for its collaboration on and contribution to this webinar.

RLI Power Hour Webinar Series



Moderators

Geoffrey D. Rubin, MD, MBA, FACR

George B. Geller Professor of
Cardiovascular Research, Professor of
Radiology and Bioengineering, Duke
University, Durham, NC



Kathleen Blake, MD, MPH

Vice President, Healthcare Quality,
American Medical Association

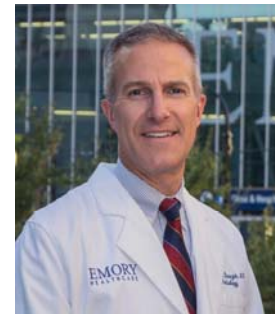


Panelists



Kevin J. Bozic, MD, MBA

Chair of Surgery and Perioperative Care, Dell
Medical School at the University of Texas at
Austin



Richard Duszak, MD, FACR, FSIR, FRBMA

Professor and Vice Chair for Health Policy and
Practice, Department of Radiology and Imaging
Sciences, Emory University School of Medicine



S. Patrick Hammond

Chief Executive Officer, Emory Healthcare
Network, Chief Market Services Officer,
Emory Healthcare, Inc.

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Panelists



Christina Smith Ritter, PhD
Director of Patient Care Models Group,
Center for Medicare & Medicaid Innovation



Michael Suk, MD, JD, MPH, MBA, FACS
System Wide Chair of the Geisinger
Musculoskeletal Institute for the Geisinger Health
System, Professor of Orthopedic Surgery at the
Commonwealth Medical College

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Understanding Bundles of Care Payment Models

Bundled Payments, A Brief History

Michael Suk, MD, JD, MPH, MBA, FACS

System Wide Chair of the Geisinger Musculoskeletal Institute for the Geisinger Health System, Professor of Orthopedic Surgery at the Commonwealth Medical College





Understanding Bundles of Care Payment Models

Federal Perspective: What is CMS Looking For From Physicians and Provider Organizations?

Christina Smith Ritter, PhD

Director of Patient Care Models Group, Center for Medicare & Medicaid Innovation





Understanding Bundles of Care Payment Models

Health System Perspective: A Tale of Two Emorys and How Financial Structure Influences Bundle Design and Approaches to Bundle Acceptance

S. Patrick Hammond

Chief Executive Officer, Emory Healthcare Network, Chief Market
Services Officer, Emory Healthcare, Inc.





Understanding Bundles of Care Payment Models

Bundled Payments in Radiology: Considerations for Practice and Department Leaders

Richard Duszak, MD, FACR, FSIR, FRBMA
Professor and Vice Chair for Health Policy and Practice
Department of Radiology and Imaging Sciences
Emory University School of Medicine



Questions to Ask

1. Are you assuming risk?
2. Who controls the episode?
3. How variable is imaging?

Are You Assuming Risk?



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Who Controls the Episode?



[RESET DATA](#) [DOWNLOAD DATA](#)

Service Name	CPT/HCP...	Percentage of Patients Undergoing	Number of Services ¹	View Percentages: <input type="checkbox"/>		
				National MPFS Professional ²	National MPFS Technical ²	National MPFS Global
Screening mammography	G0202	100.0%	218,216	\$37.68	\$100.49	\$138.17
Diagnostic mammography (unilateral)	G0206	9.3%	20,272	\$39.84	\$95.11	\$134.95
Diagnostic mammography (bilateral)	G0204	1.6%	3,519	\$49.53	\$121.66	\$171.19
Breast ultrasound (limited)	76842	1.2%	2,669	\$34.81	\$55.27	\$90.08
Breast ultrasound (complete)	76841	0.4%	898	\$37.32	\$72.14	\$109.46
Breast MRI	77059	0.5%	1,000	\$83.62	\$461.53	\$545.15
Digital breast tomosynthesis (screening)	77063	0.0%	29	\$30.88	\$25.48	\$56.34
Digital breast tomosynthesis (diagnostic)	G0279	0.4%	803	\$30.88	\$25.48	\$56.34
Weighted Professional Bundled Price		Weighted Technical Bundled Price		Weighted Global Bundled Price		
\$43.26		\$114.47		\$157.73		



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How Variable is Imaging?



DRG and Cost/Shares	DRG No. 470	DRG No. 020
Cost Type	Imaging Share Of Cost	Imaging Share Of Cost
Medicare	Part B	Part B
Year	2017	2017
Quartiles & Mean:		
Max	100.00%	36.85%
75th	2.02%	19.12%
Mean	1.36%	13.54%
Median	1.46%	13.83%
25th	0.46%	9.27%
Min	0.00%	0.54%
Freq. Of Episodes	27,370	99

\$2,070.14

\$9,259.95

Questions to Ask

1. Are you assuming risk?
2. Who controls the episode?
3. How variable is imaging?

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Understanding Bundles of Care Payment Models

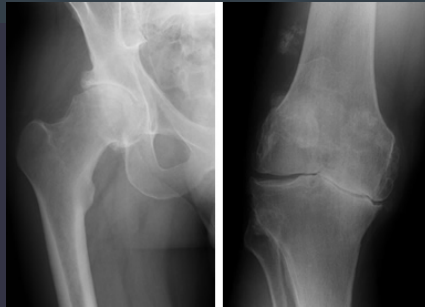
Bundled Payments in Radiology: Alternative Payment Models in Orthopaedic Surgery: What We've Learned So Far

Kevin J. Bozic, MD, MBA

Professor and Chair, Department of Surgery and Perioperative Care
Dell Medical School at the University of Texas at Austin
Senior Institute Associate, Harvard Business School



Alternative Payment Models in Orthopaedic Surgery: What We've Learned So Far



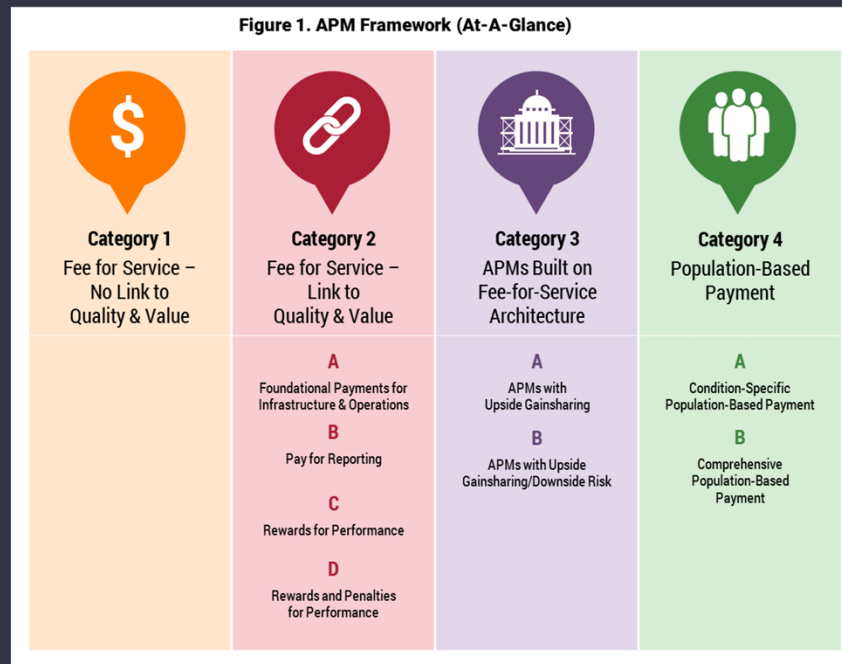
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RLI Power Hour - Understanding Bundles of Care Payment Models From Multiple Perspectives



Figure 1. APM Framework (At-A-Glance)



LAN's new payment reform goals (HHS/CMS, participating states, private payers)

GOAL STATEMENT

Accelerate the percentage of US health care payments tied to *quality* and *value* in each market segment through the adoption of shared accountability alternative payment models.

	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2020	15%	15%	30%	30%
2022	25%	25%	50%	50%
2025	50%	50%	100%	100%

History of Alternative Payment Models in Orthopaedics

Acute Care Episode (ACE)
Demonstration

Bundled Payments for Care Improvement



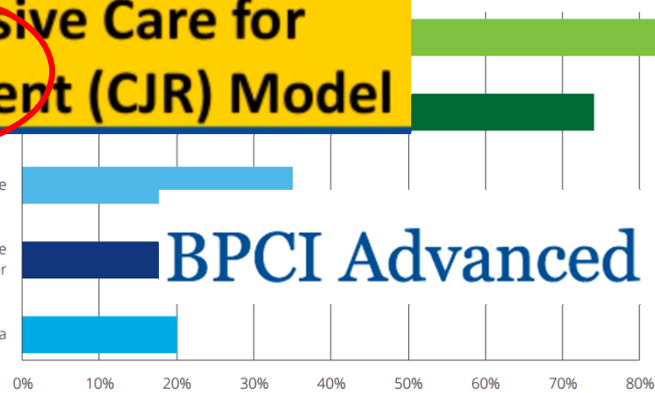
Figure 3. Top five clinical episode bundles selected by Model 2 BPCI participants

**Comprehensive Care for
Joint Replacement (CJR) Model**

Congestive heart failure

Chronic obstructive
pulmonary disorder

Pneumonia



BPCI Advanced



Bundle Payment Program
Increasing Quality · Reducing Cost

Source: CMS Bundled Payments for Care Improvement Initiative Models 2-4; Year 2 Evaluation & Monitoring Annual Report, 2016.

Exponential Growth in TJA Procedure Rates and Costs

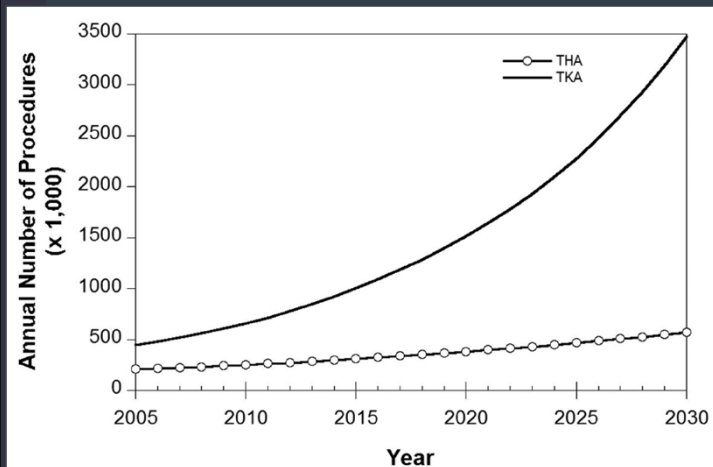
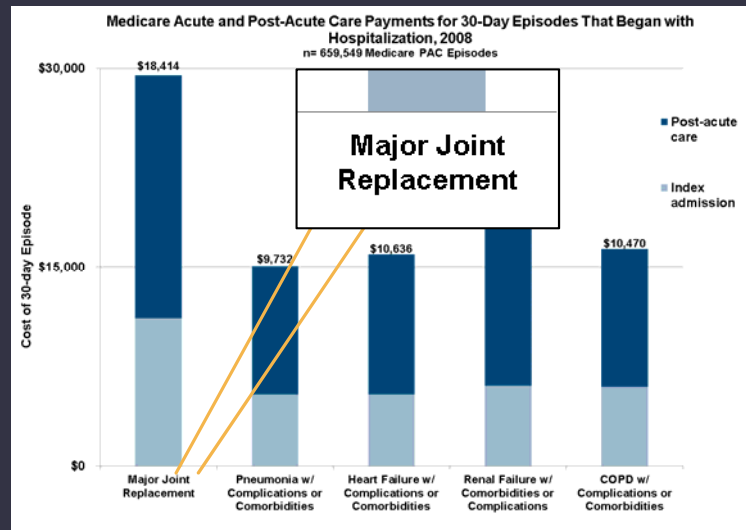


Fig. 1

The projected number of primary total hip arthroplasty (THA) and total knee arthroplasty (TKA) procedures in the United States from 2005 to 2030.

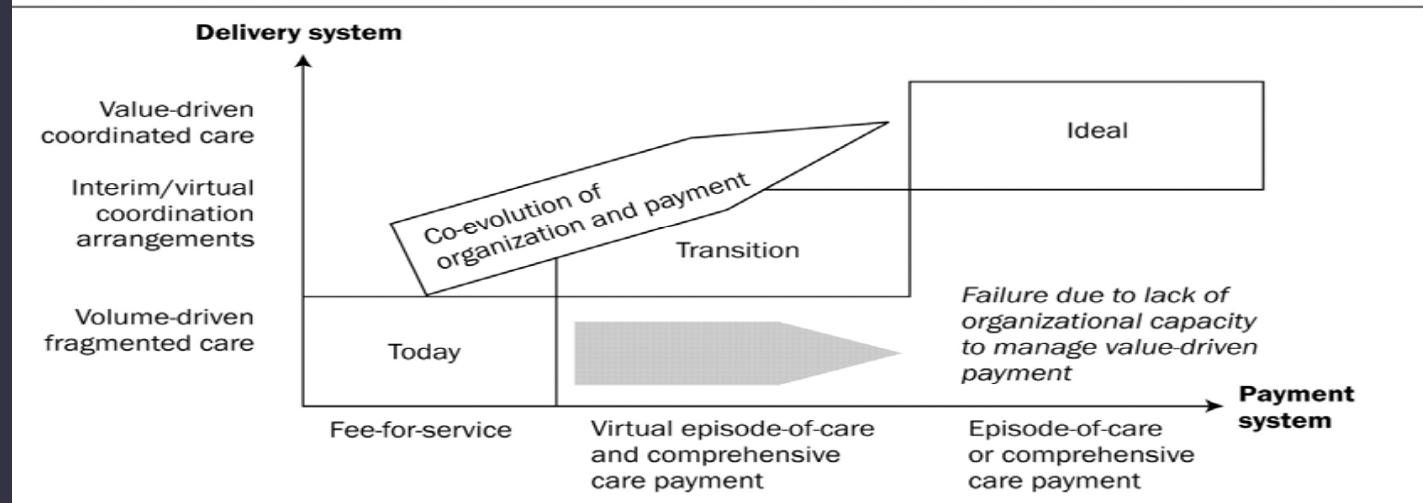
Kurtz, Steven, Kevin Ong, Edmund Lau, Fiona Mowat, and Michael Halpern. "Projections of Primary and Revision Hip and Knee Arthroplasty in the United States from 2005 to 2030." *The Journal of Bone and Joint Surgery-American* Volume 89, no. 4 (April 1, 2007): 780–85.



Mechanic, Robert. "Post-Acute Care — The Next Frontier for Controlling Medicare Spending." *New England Journal of Medicine* 370, no. 8 (February 20, 2014): 692–94. <https://doi.org/10.1056/NEJMp1315607>.

Payment Model Drives Delivery System Reform

EXHIBIT 4
Transition In Both The Payment And The Delivery Systems



SOURCE: Author's analysis.

Miller H D Health Aff 2009;28:1418-1428

HealthAffairs

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TJR Bundles Drive Care Coordination Across Acute, Post-Acute Settings



JAMA Internal Medicine | Original Investigation | HEALTH CARE REFORM

Cost of Joint Replacement Using Bundled Payment Models

Amol S. Navathe, MD, PhD; Andrea B. Troxel, ScD; Joshua M. Liao, MD; Nan Nan, MS; Jingsan Zhu, MS; Wenjun Zhong, PhD; Ezekiel J. Emanuel, MD, PhD

Figure 1. Episode Spending for Major Joint Replacements of Lower Extremities With and Without Major Complications or Comorbidities Over ACE and BPCI

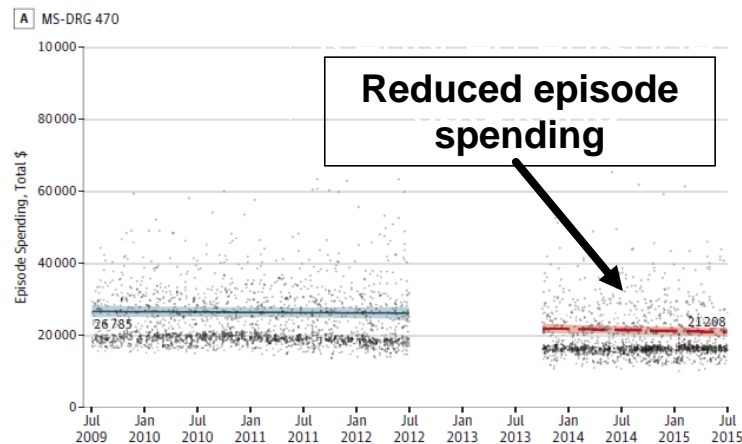
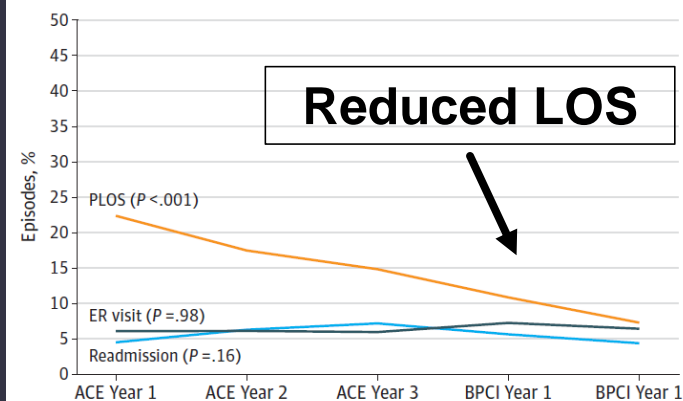


Figure 2. Quality of Care for Major Joint Replacements of Lower Extremities With and Without Major Complications or Comorbidities as Measured by ER Visits, Readmissions, and PLOS Over ACE and BPCI



The University of Texas at Austin
Dell Medical School
A Vital, Inclusive Health Ecosystem

HealthAffairs

By Rajender Agarwal, Joshua M. Liao, Ashutosh Gupta, and Amol S. Navathe

REVIEW ARTICLE

The Impact Of Bundled Payment On Health Care Spending, Utilization, And Quality: A Systematic Review

EXHIBIT 2

Summary of results from 20 studies that compared a bundled payment model and fee-for-service reimbursement, by study outcome

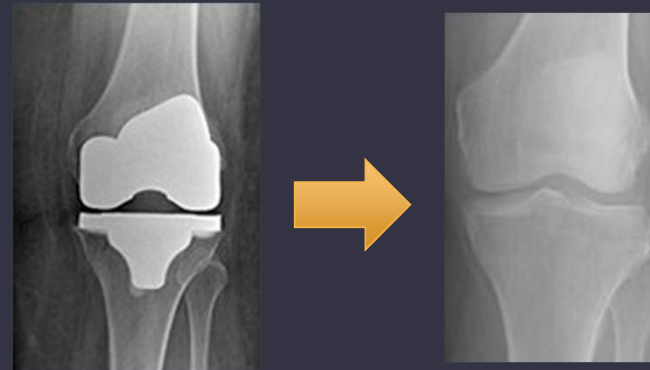
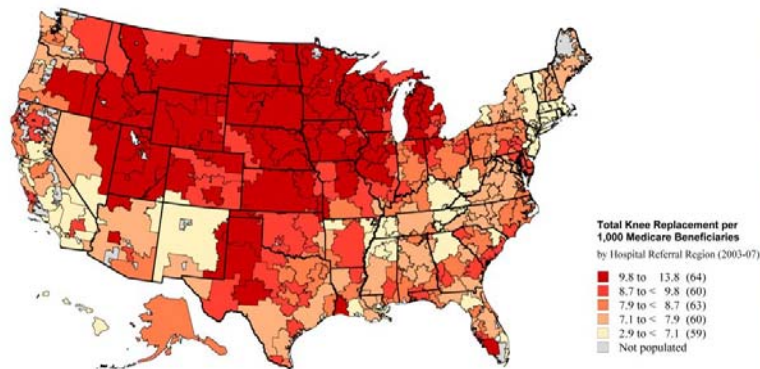
Outcome	Direction of outcome	ACE	BPCI	CJR	Overall
HEALTH CARE SPENDING					
Episode payments	-	0/2	5/12	1/3	6/16
Spending by type					
Inpatient hospitalization	-	0/2	3/8	0/1	3/10
Postacute care period	-	1/1	2/2	—*	3/3
Institutional postacute care	-	—*	1/1	1/1	2/2
Skilled nursing facility	-	0/2	3/4	1/1	4/6
Inpatient rehabilitation facility	-	0/2	3/5	1/1	4/7
Long-term acute care hospital	-	0/1	0/3	0/1	0/4
Home health agency	+	0/2	3/6	0/1	3/8
UTILIZATION					
Discharge to:					
Postacute care facility	-	—*	5/9	2/3	7/12
Home health agency	-	—*	2/5	0/2	2/7
Home or self-care	+	—*	1/5	0/1	1/6
Length-of-stay					
Inpatient	-	1/1	7/11	1/2	8/13
Postacute care facility	-	—*	1/4	1/2	2/6
QUALITY					
All-cause readmission rate	-	1/2	4/14	1/3	6/18
Complication rate	0	1/1	—*	3/3	4/4
Mortality	0	1/1	2/2	1/1	4/4
Emergency department visits	0	1/1	3/3	2/2	5/5
UNINTENDED CONSEQUENCES					
Risk selection or case complexity	+	—*	1/3	0/2	1/5
Volume	-	—*	3/3	2/2	5/5

Key Results

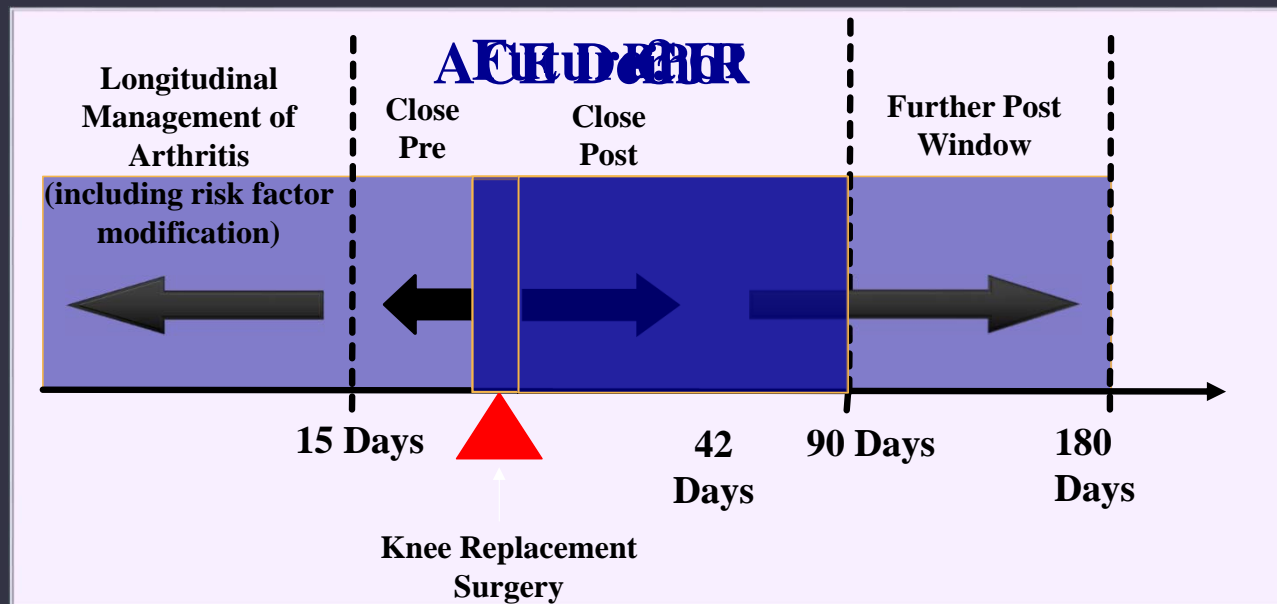
- 1.6% reduction in episode spending
- Lower inpatient and post-acute care spend
- Reduced ALOS and readmissions
- Increased discharge to home/self-care
- Increased case complexity

What's Missing from Procedure-Based Bundles?

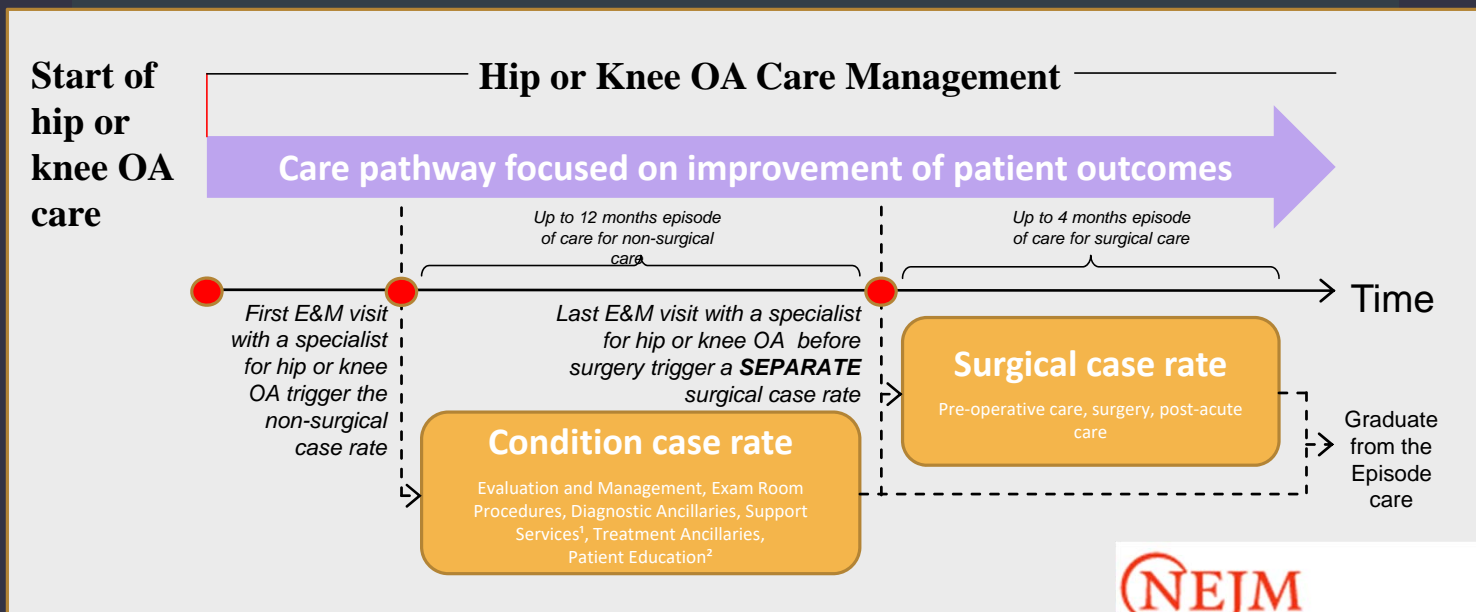
Dartmouth Atlas Knee Replacement Rates



Evolution of Value-Based Payment Models



Alternative Payment Models for Hip and Knee OA



1. Support Services include DME, immunization/vaccine, etc. (only will be given if it is necessary);
2. Patient education includes service & materials fees, patient's history, registration, education, etc.

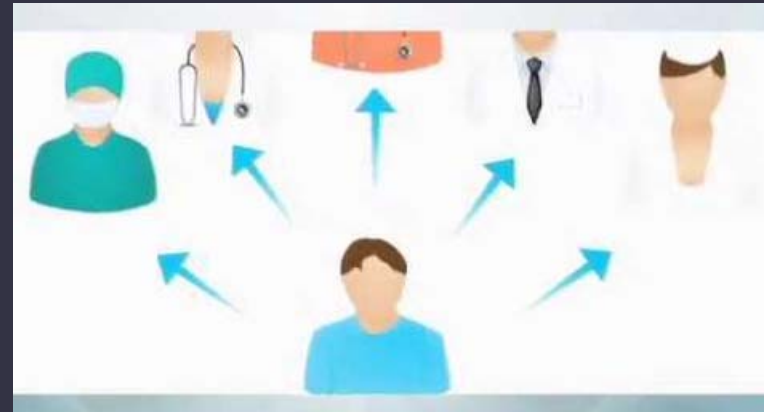


Payment Model Drives Delivery System Reform

TJR Bundles



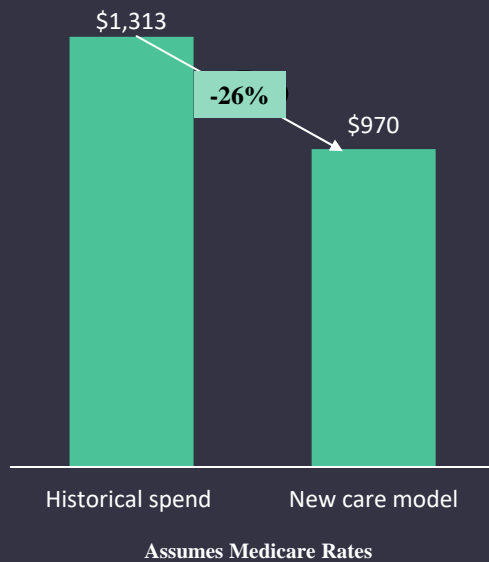
Arthritis Bundles



Savings driven through care redesign



Case rate pricing provides opportunity to integrate effective but non-billable services to the care models

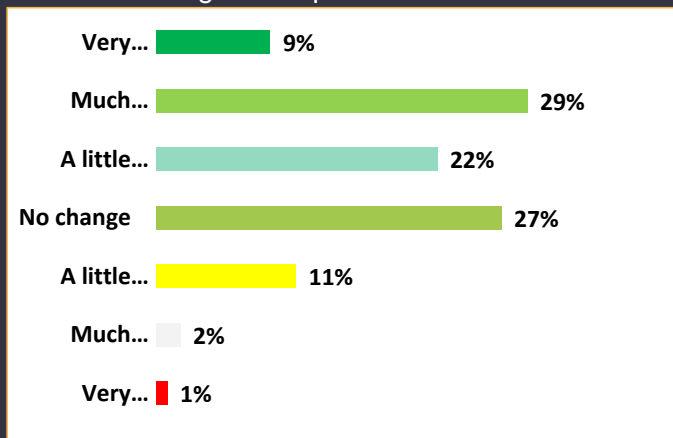


Per Patient Spend	Historical	New Care Model	Savings
Office visits	\$600	\$350	-\$250
Social work / nutrition	\$0	\$73	+\$73
Physical therapy	\$133	\$216	+\$83
Simple imaging	\$80	\$49	-\$31
Advanced imaging	\$16	\$4	-\$12
Injection	\$117	\$35	-\$82
Laboratory	\$10	\$6	-\$4
DME	\$82	\$9	-\$73
Surgery pro-fees	\$275	\$228	-\$47
Total	\$1,313	\$970	-\$343

Accountability for outcomes

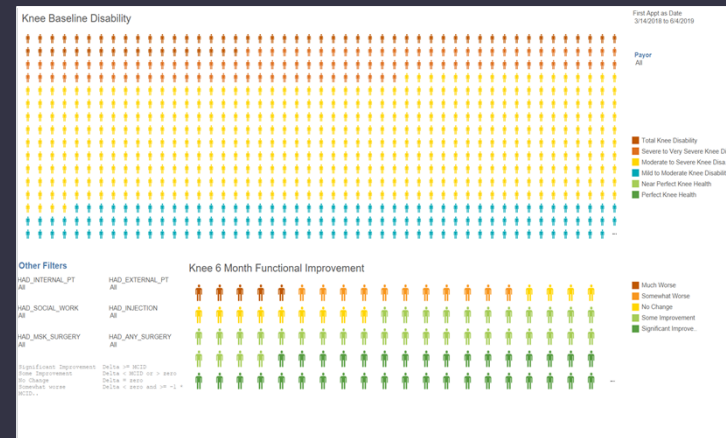
For all patients:

- Patient global improvement



Condition-specific measurement:

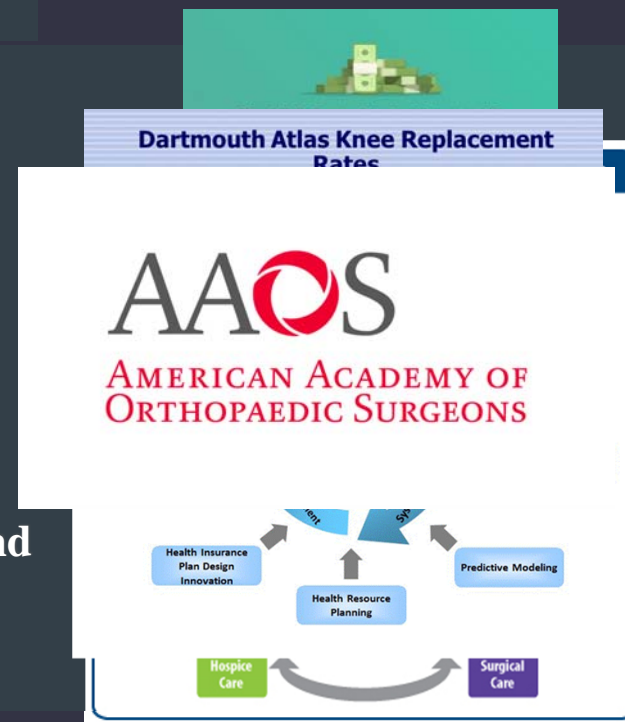
- KOOS JR



Outcomes collected during the initial visit and throughout the episode of care used to evaluate the patient's progress and the efficacy of different treatment modalities

Summary

- Musculoskeletal disease is prevalent, costly
- Management of MSK conditions is characterized by variation in treatment approach, outcome, cost
- **SIGNIFICANT** opportunity to drive value through care redesign, payment reform
- Value based payment models drive care redesign efforts by aligning incentives around value delivered to patients
- It's a journey...



PANEL DISCUSSION

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AUDIENCE Q&A

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THANK YOU!

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