CMS ANNOUNCES "BPCI ADVANCED"

The Centers for Medicare & Medicaid Services ("CMS") announced its long-awaited "BPCI Advanced" model on January 9. The model – which is voluntary – will initially include 29 inpatient clinical episodes and 3 outpatient clinical episodes (a list of the 32 clinical episodes can be found here). BPCI Advanced Participants must elect to be accountable for one or more of these episodes. The initial term of the model will begin October 1, 2018 and end December 31, 2023.

SUMMARY OF THE MODEL

The model features retrospective bundled payments. Reconciliation under the model will occur on a semi-annual basis. CMS will compare the aggregate Medicare fee-for-service expenditures for all items and services included in a clinical episode against the "target price" established by CMS for that clinical episode. CMS will use this calculation to determine whether the model Participant is eligible to receive a payment from CMS or is required to pay a "repayment amount" to CMS. CMS's payment to a model Participant will also be tied to performance on certain quality measures.

BPCI Advanced will be an Advanced APM, but an eligible clinician participating in BPCI Advanced will not be able to earn "QP" status (and thereby become eligible for the five percent APM Incentive Payment) until the performance period beginning January 1, 2019. The first "snapshot" date for QP determination for eligible clinicians will be March 31, 2019.

"CONVENER PARTICIPANTS" AND "NON-CONVENER PARTICIPANTS"

Under the model, a "Participant" is an entity that contracts directly with CMS. There are two types of Participants: a "Convener Participant" and a "Non-Convener Participant."

Convener Participants

The following may participate in the model as a Convener Participant: (i) acute care PPS hospitals; (ii) physician group practices; (iii) other Medicare enrolled providers and suppliers; and (iv) entities that are not enrolled in Medicare. A Convener Participant contracts with multiple "downstream" health care providers, including, but not limited to, "Episode Initiators" (a Convener Participant's Episode Initiators must be either acute care PPS hospitals or physician group practices). A Convener Participant bears upside and downside financial risk for the clinical episodes that it chose to be accountable for under the model and that are attributed to its Episode Initiators. A Convener Participant may also share its upside and downside financial risk with its Episode Initiators and certain other downstream providers and other entities (including certain ACOs and post-acute care providers). The model includes a 20 percent stop-gain limitation, and a 20 percent stop-loss limitation, calculated at the Episode Initiator level.

Non-Convener Participants

The following may participate in the model as a Non-Convener Participant: (i) acute care PPS hospitals; (ii) physician group practices; and (iii) other Medicare enrolled providers and suppliers. A Non-Convener Participant is any Participant that is not a Convener Participant. Although a Non-Convener Participant may contract with multiple downstream health care providers, including, but not limited to, "Episode Initiators" (a Non-Convener Participant's Episode Initiators must be either acute care PPS hospitals or physician group practices), a Non-Convener Participant bears upside and downside financial risk only for itself and does not bear risk for its Episode Initiators. A Convener Participant may also share its upside and downside financial risk with its Episode Initiators and certain other downstream providers and other entities (including certain ACOs and post-acute care providers). The model includes a 20 percent stop-gain limitation, and a 20 percent stop-loss limitation, calculated at the level of the Non-Convener Participant.

"BPCI ADVANCED ENTITY"

A Convener or Non-Convener Participant may contract with a "BPCI Advanced Entity" to administer the Participant's risk-sharing arrangements with its downstream providers. This administrative function could include a number of activities, including monitoring/improving the quality and cost performance of the downstream providers.

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KEY DEADLINES

An entity seeking to be a Convener Participant or a Non-Convener Participant must submit an application to CMS, through the BPCI Advanced application portal, before March 12, 2018 at 11:59 PM EST. *Please note: a submitted application must identify the health care providers who, in the event the applicant is selected to be a Participant, will serve as contracted downstream providers for the Participant*. CMS will assess all applications based on factors including care redesign, cost reduction, quality of care and patient-centeredness and organizational capabilities, prior experience, and readiness. The number of Participants under the model is not capped.

CMS DATA AVAILABILITY

Following the application review process, but before an applicant executes a "BPCI Advanced Model Participation Agreement," CMS will release to an applicant up to three years of historical Medicare claims data for Medicare FFS beneficiaries who would have been included in a clinical episode during a baseline period attributed to the applicant (and attributed to the proposed downstream providers identified by the applicant). The data is intended to help an applicant evaluate which clinical episodes provide the greatest opportunity for process improvement, quality improvement, and care coordination. In addition, CMS will provide preliminary "target prices" to applicants to evaluate their ability to improve the cost and quality of care they will be responsible for under the model (and applicants will have the opportunity to request the data used to calculate the preliminary target prices).

NEXT STEPS

Entities interested in participating in the model as a Convener Participant or a Non-Convener Participant, as well as health care providers and other entities interested in downstream contracts with Participants, should review the model's Request for Applications (which is found here) and call in to CMS's open door forum regarding the model, which will be held on Tuesday, January 30, 2018, from 12:00 PM to 1:00 PM EST (the link to register for the forum is found here).

If you have any questions, please contact Tim Kennedy at tkennedy@hallrender.com or 317-977-1436 or your regular Hall Render attorney.

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