CJR: Comprehensive Care Joint Replacement Model

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Presentation Objectives

- Understand the evolution of the CJR model as an outcome of the Affordable Care Act
- Identify elements of the measures for eligibility scoring
- Discuss clinical care and patient satisfaction scores and their impact on reimbursement
AFFORDABLE CARE ACT

- 2010
- Access for all
- Share the risk and reduce the cost
- Population management
- Inpatient --> outpatient
Value Based Payment Models

**SERVICE BASED**
Fee for Service

**BUNDLE BASED**
Shared savings/risk or single lump payment

**POPULATION BASED**
Inpatient, defined population or geographic area
The Evolution of the CJR

- ACA grants HHS ability to consider alternatives to fee-for-service payment programs
- CMS targets 2018 to have 50% of Medicare payments go through alternative payment models
- Test program for 5 year period starting April 1, 2016
- CJR applies only to Medicare beneficiaries
- Opportunity to improve care coordination between medical settings and produce better outcomes
Medicare Part A and B payment model in which selected acute care hospitals in 67 geographic areas will receive retrospective bundled payments for episodes of care for lower extremity joint replacement or reattachment.

- Episode of care continues for 90 days following discharge.
- Target episode prices differ for MS-DRG 469 and 470.
- Composite quality score determines payment.
Quality Score Methodology

**THA/TKA Complications**
- Acute MI
- Pneumonia or sepsis within 7 days of admission
- Surgical site bleeding, PE or death within 30 days of admission
- Mechanical complications, joint or wound infection within 90 days of admission

**HCAHPS Patient Experience Survey**
- How well do doctors communicate with patients
- How well do nurses communicate with patients
- How responsive hospital staff are to patients’ needs
- How well hospital staff helps patients manage pain
- How well staff communicates with patients about medications
- Whether key information is provided at discharge
- How well patient is prepared for transition to post-hospital care
Payment Structure

- Includes all services within 90 day episode of care
- Target price = 98% of historical price minus 2%, transition from hospital-specific historic spending to regional historic spending
- Payments will be made under the usual fee-for-service structure during the performance year to determine actual costs during the episode of care
- Payment is then reconciled against established CJR target price
  - Positive difference, hospital gets reconciliation payment
  - Negative difference, hospital pays back
### Payment Structure

#### COMPOSITE QUALITY SCORING

<table>
<thead>
<tr>
<th>Category</th>
<th>Max Points</th>
<th>Weight</th>
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<tbody>
<tr>
<td>RSCOR (Risk-standardized Complication Rate) for THA/TKA</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>HCAHPS</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>THA/TKA Outcomes (voluntary initially)</td>
<td>2</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### DISCOUNT STRUCTURE

<table>
<thead>
<tr>
<th>Composite Score</th>
<th>Discount for Reconciliation Payment</th>
<th>DISC repayment Year 1</th>
<th>DISC repayment Year 2-3</th>
<th>DISC repayment Year 4-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 13.2</td>
<td>1.50%</td>
<td>0</td>
<td>0.50%</td>
<td>1.50%</td>
</tr>
<tr>
<td>6.0 - 13.2</td>
<td>2.00%</td>
<td>0</td>
<td>1.00%</td>
<td>2.00%</td>
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<tr>
<td>4.0 - 6.0</td>
<td>3.00%</td>
<td>0</td>
<td>2.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>&lt; 4.0</td>
<td>3.00%</td>
<td>0</td>
<td>2.00%</td>
<td>3.00%</td>
</tr>
</tbody>
</table>
I’m a clinician, what’s my role in this?

- PATIENT ENGAGEMENT
- INFECTIOUS DISEASES
- INFECTIOUS PREVENTION
Patient Engagement

**HCAHPS Patient Experience Survey**

- How well do doctors communicate with patients – white boards, patient-centered rounds
- How well do nurses communicate with patients – white boards, hourly rounds
- How responsive hospital staff are to patients' needs – answer the call bell
- How well hospital staff helps patients manage pain – pain scales, response to interventions
- How well staff communicates with patients about medications – pharmacists, dieticians, nursing
- Whether key information is provided at discharge – discharge planning starts before admission
- How well patient is prepared for transition to post-hospital care – joint classes
Infection Prevention
Infection Prevention

- Pre-operative skin prep
- Hair removal
- Surgical technique
- Antibiotic prophylaxis
- MRSA screening
- Normothermia
- OR traffic patterns
Practitioner Variability

Material expenses
- Implants
- Surgical supplies

Other medical expenses
- Radiology
- Laboratory
- Pharmacy
## TABLE I Costs Across Patients Undergoing Knee and Hip Replacement Surgery

<table>
<thead>
<tr>
<th></th>
<th>Knee Replacement</th>
<th>Hip Replacement</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Device Cost (U.S. dollars)</td>
<td>Total Surgical Cost (U.S. dollars)</td>
</tr>
<tr>
<td>Minimum</td>
<td>1797</td>
<td>7129</td>
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<tr>
<td>1st percentile</td>
<td>2290</td>
<td>7465</td>
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<tr>
<td>25th percentile</td>
<td>4183</td>
<td>9891</td>
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<tr>
<td>Median</td>
<td>4857</td>
<td>11,660</td>
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<tr>
<td>75th percentile</td>
<td>6249</td>
<td>14,013</td>
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<tr>
<td>99th percentile</td>
<td>11,143</td>
<td>21,954</td>
</tr>
<tr>
<td>Maximum</td>
<td>12,093</td>
<td>23,264</td>
</tr>
</tbody>
</table>
THE FUTURE

- Controlled health care costs across populations
- Alternative care models --- outpatient joint replacement
- Coordination among caregivers
- Adoption of model by all payers