

## Vizient Office of Public Policy and Government Relations Policy Update: CMS Innovation Center – BPCI Advanced

January 10, 2018

On Tuesday, January 9, the Centers for Medicare & Medicaid Services (CMS) Center for Medicare and Medicaid Innovation (Innovation Center) [announced](#) a new, voluntary episode-based payment initiative. The Bundled Payments for Care Improvement Advanced (BPCI Advanced or the Model) will include a total of 32 Clinical Episodes. The application portal opens on January 11, 2018 and closes on March 12, 2018. The Performance Period of the Model will begin on October 1, 2018 and run until December 31, 2023.

Additionally, BPCI Advanced will qualify as an Advanced Alternative Payment Model (APM) under the Quality Payment Program (QPP).

### Background & Summary

In the new BPCI Advanced Model, CMS “envisions using bundled payments as a payment lever to improve the efficiency and quality of care for an episode of care.” A primary differentiator between BPCI Advanced and the previous BPCI models is the inclusion of three outpatient Clinical Episodes in addition to the 29 inpatient ones. The Model will offer bundled payment arrangements that include financial and quality performance accountability for Clinical Episodes. BPCI Advanced is a total-cost-of-care model, meaning that the total Medicare fee-for-service (FFS) spending on all items and services furnished to a beneficiary during a Clinical Episode – including outlier payments – will be part of the episode expenditures for purposes of the Target Price and semi-annual reconciliation calculations (unless specifically excluded).

Under BPCI Advanced, there are two categories of participants – Non-Convener Participants and Convener Participants. Acute Care Hospitals (ACHs) and Physician Group Practices (PGPs) can participate in either category, although as a Convener Participant these entities would bring together downstream entities (Episode Initiators), coordinate those Initiators, and bear financial risk under the Model. Other Convener Participants can include eligible entities that are Medicare-enrolled providers or suppliers (as well as entities not enrolled in Medicare). Excluded from participation in BPCI Advanced are PPS-Exempt Cancer Hospitals, inpatient psychiatric facilities, Critical Access Hospitals (CAHs), hospitals in Maryland, hospitals participating in the Rural Community Hospital Demonstration, and Participant Rural Hospitals in the Pennsylvania Rural Health Model. CMS will consider exception requests to the criteria as outlined in [the Request for Applications \(RFA\)](#) and reserves the right to admit applicants that do not strictly meet such criteria under limited circumstances.

Both categories of participants may enter into agreements with individual physicians and non-physician practitioners (“Participating Practitioners”) who provide care during the Clinical Episodes in BPCI Advanced. Additionally, both categories of participants that select to participate in Financial Arrangements may enter into such arrangements with entities that qualify as “NPRA Sharing Partners.” Net Payment Reconciliation Amount (NPRA) Sharing Partners can include participating practitioners, Physician Group Practices (PGPs), ACHs, Accountable Care Organizations (ACOs), and/or post-acute care (PAC) providers.

CMS is specifically seeking applications from providers who are already implementing care redesign under episode payments, as well as with those “eager to experiment with transforming their care delivery system from one reliant on Medicare FFS to one that is more focused on efficiently optimizing outcomes of care.” The agency hopes to build upon the successes of current and previous CMS models, demonstrations, and programs, as well as private-sector initiatives. CMS notes that the agency is “specifically seeking applicants with the capacity for care redesign that: focuses on quality and meets or exceeds quality measure benchmarks; reaches many Medicare beneficiaries; offers significant savings to Medicare; and may be implemented on aggressive timelines.”

BPCI Advanced will initially include 105 Medicare Severity-Diagnosis Related Groups (MS-DRGs), grouped into 29 inpatient Clinical Episode categories, and 3 outpatient Clinical Episode categories – each identified by 30

Healthcare Common Procedure Coding System (HCPCS) codes. CMS may add or remove Clinical Episodes from the Model on an annual basis, beginning in 2020. In future Model Years, CMS may allow participants to report on various additional quality measures on a voluntary basis.

**Advanced APM Determination:** CMS anticipates that BPCI Advanced will meet the criteria as an Advanced Alternative Payment Model (Advanced APM) as of the first day of the model (October 1, 2018). However, an eligible clinicians' participation in the Model will not be tracked, for purposes of the Qualifying APM Participant (QP) determination and the five percent APM Incentive Payment until the Performance Period beginning on January 1, 2019. CMS expects the first "snapshot" date for QP determination for eligible clinicians following the start of the Model will be March 31, 2019.

**MIPS APM Determination:** CMS also anticipates that BPCI Advanced will be a Merit-Based Incentive Payment System (MIPS) APM beginning January 1, 2019. However, NPRA Sharing Partners will not be subject to the APM scoring standard.

Entities may concurrently participate in BPCI Advanced and the Medicare Shared Savings Program (MSSP), the Innovation Center's Next Generation ACO Model, and other shared savings initiatives. Concurrent participation in BPCI Advanced and medical home initiatives, as well as the Oncology Care Model (OCM) is similarly permitted. However, for entities that simultaneously participate in these initiatives, "CMS reserves the right to potentially include additional requirements, revise initiative parameters, or ultimately prohibit simultaneous participation in multiple initiatives, based on a number of factors, including CMS's capacity to avoid counting savings twice in interacting initiatives and to conduct a robust evaluation of each such initiative." Furthermore, issues pertaining to a specific Participant's overlapping participation in other CMS initiatives (e.g., related to transition timing) will be addressed by CMS as necessary.

Applicants that are also participating in any Innovation Center model implemented via regulation (e.g., the Comprehensive Care for Joint Replacement (CJR)), will not be permitted to participate in BPCI Advanced for the episodes included in those models. For example, while a hospital participating in CJR would generally be able to participate in the BPCI Advanced initiative, this hospital would not be able to select Clinical Episodes for the orthopedic bundle or Major Joint Replacement of the Lower Extremity (MJRLE) Clinical Episodes for purposes of BPCI Advanced.

### **What's Next?**

To be considered for Model participation beginning October 1, 2018 – applicants must submit their completed application, along with their completed Data Request and Attestation (DRA) Form, as applicable, [via the application portal](#), which will be accessible beginning January 11, 2018. Applications must be submitted no later than March 12, 2018, at 11:59 PM EST. Applications will be received and processed on a rolling basis until each application deadline. CMS anticipates that BPCI Advanced will have one subsequent enrollment date, January 1, 2020, and will announce application deadlines at a later date.

CMS is holding an Open Door Forum to answer questions about the new model on Tuesday, January 30 from 12:00 pm – 1:00 pm EST. You can register for "BPCI Advanced - Model Overview and Application Process" [here](#). Attendees may ask questions during the event, but are highly encouraged to submit them during the registration process.

CMS has posted a [complete model timeline](#) on the Innovation Center website.

### **Additional Resources**

[Chelsea Arnone](#), Regulatory Affairs and Government Relations Director in Vizient's Washington, D.C. office, can be reached at (202) 354-2608, and is monitoring this new payment model and other developments at CMS and the Innovation Center. Please reach out to her if you have any questions or if Vizient can provide any assistance as you consider these issues.

Application instructions and forms may be accessed at: <https://innovation.cms.gov/initiatives/bpci-advanced>.