

ADVANCED PAYMENT MODEL SERVICES FOR POST-ACUTE CARE PROVIDERS: COMPREHENSIVE CARE FOR JOINT REPLACEMENT



experience **insight** // Health care providers are seeing a dramatic increase in third-party payer arrangements that incentivize quality and efficiency over the volume of services rendered. The Centers for Medicare & Medicaid Services (CMS) has signaled its intent to transition quickly into such arrangements with the Comprehensive Care for Joint Replacement (CJR) bundled payment demonstration project. This is important because participation is mandatory for most hospitals performing CJR procedures in 67 designated metropolitan statistical areas (MSA) and all providers caring for these patients will contribute to gains and losses under the program, based on efficiency and quality across an episode of care. This program will encourage providers across the continuum to take more interest in clinical outcomes as well as the cost of providing care.

Of course, CJR is only the beginning. CMS likely will expand bundled payment programs to include additional diagnoses and a broader geography. Regardless of whether you provide services in one of the participating MSAs, it's time to prepare for bundled payments. **BKD has developed a set of solutions designed to jump-start your post-acute care organization's ability to understand and prepare for outcomes- and value-based payment.**

ANALYZE COMPETITIVE POSITION

BKD uses claims data across the continuum to give health care providers a little help with "Big Data." Some key metrics include:

- Medicare's cost for post-acute care for specific types of cases for your setting as well as other post-acute care providers; for example, a home health agency could compare its cost for patients with a routine lower-extremity joint replacement (LEJR) to other home health agencies, skilled nursing facilities or inpatient rehabilitation providers
- Medicare's total cost of care for an episode, where your facility is the first discharge setting; for example, a skilled nursing provider could compare Medicare's cost, including the hospital stay, readmissions cost and post-acute care cost, to other post-acute care providers

FINANCIAL MODELING OF CARE OPTIONS

As health care providers and third-party payers change their view of care to a more episodic, longitudinal approach, they realize the most significant variable in overall cost of care is post-acute care. Medicare payments vary widely not only among provider types, *i.e.*, home health versus skilled nursing, but also among providers of the same type.

Successful post-acute care providers will be able to deliver good outcomes at a lower volume and intensity of service. BKD can help model payments and costs of care to estimate profit on patients with common characteristics.

KEY QUESTIONS

- What are my Medicare Part A and Part B payments for CJR patients?
- How do my costs compare to other providers in my region for a 90-day LEJR episode?
- What's the difference in total episodic cost of care between when I'm the initial PAC discharge site and when that responsibility falls to other PAC providers?
- Where can we most significantly reduce Medicare payments without sacrificing quality and financial viability?
- Are there needed clinical specialties in our service area that fit our clinical expertise and for which we could develop profitable new programs or services?

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EVALUATE PROGRAM OPTIONS

Under bundled payment systems, volumes and payments will decrease. Post-acute care providers will need to evaluate whether to continue pursuing mostly rehab-based services or to expand clinical competencies to include additional conditions and diagnoses. BKD can help you identify specialties needed in your service area and gaps in expertise as well as benchmark rehab care against other providers.

EVALUATE PATIENT EXPERIENCE

Transitions among sites of care are a significant source of anxiety for patients and—if not done well—can lead to readmissions and setbacks in care. Our multidisciplinary team of experts can help you evaluate and improve your operations in patient intake and admissions, staffing, food service, customer service, staff retention and training and care delivery.

PARTNER WITH COLLABORATORS

CMS has presented providers with a unique opportunity to create alignment through gain-sharing. BKD can help you assess potential gainshare relationship opportunities. Our data-driven approach will help highlight providers with the highest probability for most favorable quality outcomes at the most efficient cost. Finally, regulatory compliance should always be at the center of all planning so BKD can guide you through the maze of regulations and help you avoid the consequences of noncompliance.



FOR MORE INFORMATION // For a complete list of our offices and subsidiaries, visit bkd.com or contact:



Chris Murphy // Partner, Long-Term Care & Senior Living // cmurphy@bkd.com // 918.584.2900



Mark Sharp // Partner, Home Care & Hospice // msharp@bkd.com // 417.865.8701

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