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Proposed Changes to Comprehensive Care for Joint Replacement Model (CJR) & Cancellation of Future Mandatory Payment Models

OVERVIEW

On August 15th, the Centers for Medicare and Medicaid Services (CMS) issued a proposed rule that would make changes to the CJR model and cancel several mandatory payment models that were finalized under the Obama Administration.

CMS will accept comments on the proposed rule until October 14th. The proposed rule is available here.

CJR

In April 2016, CMS initiated the CJR model, a five-year mandatory model to test bundled payments for hip and knee replacements. The Model has been implemented at acute care hospitals paid under the Inpatient Prospective Payment System in 67 metropolitan statistical areas (MSAs), including New York City.

The rule proposes several changes and clarifications to the CJR model regarding: mandatory participation, reconciliation payments, telehealth reimbursement, Advanced Alternative Payment Model (APM) eligibility, and hospital reorganization events.

Mandatory and Voluntary Participation

Beginning in February 2018, the proposed rule would reduce the number of mandatory MSAs to 34. Within mandatory MSAs, low-volume (fewer than 20 CJR episodes over three years) and rural hospitals would be exempt from mandatory participation. Low-volume and rural hospitals in mandatory MSAs and hospitals in the 33 newly exempt MSAs could elect to continue CJR. The one-time participation election period for such hospitals would be between January 1, 2018 and January 31, 2018.

Under the proposed rule, New York City would be in one of the 34 mandatory MSAs, while the Buffalo-Cheektowaga-Niagara Falls region would be in one of the 33 voluntary MSAs. Hospitals that are participating in Models 2, 3, or 4 of the Bundled Payment for Care Improvement Initiative (BPCI) would continue to be exempt from CJR, regardless of whether they are in a mandatory MSA.

Reconciliation Payments

Under the CJR Model, hospitals are eligible for payment reconciliation or subject to repayment based on their Composite Quality Score. In the proposed rule, CMS announces that it plans to make Performance Year (PY) 1 reconciliation payments to CJR hospitals by the end of September 2017. However, CMS will conduct a subsequent review of the PY 1 reconciliation calculations using a different methodology, which may result in

retroactive payment or collection for certain hospitals. The results of the PY 1 re-calculation will be combined with PY 2 results before payment or repayment amounts are processed.

Telehealth

The CJR Model waives Medicare's telehealth geographic restriction to allow participants and collaborators to provide follow-up care via telehealth, but it does not currently account for the cost of providing telehealth services. The proposed rule would adjust the pricing calculation for CJR telehealth services by replacing the current zero practice expense (PE) value with facility PE relative value units for comparable in-person services.

Advanced APMs

The CJR Model qualifies as an Advanced APM under the Quality Payment Program. To increase the number of providers that are considered Qualifying APM Participants (QPs), CMS is proposing that CJR hospitals submit a clinician engagement list that includes providers who are not officially CJR collaborators, but have a contractual relationship with the hospital and to support CJR quality or cost goals. CMS would consider both the clinician engagement list and clinician financial arrangement list when deciding which providers are eligible QPs.

Hospital Reorganization

The rule clarifies that if a hospital that is participating in CJR acquires or merges with a hospital that is not participating in CJR, CMS would perform separate reconciliation calculations for episodes that occurred before and after the reorganization. In other words, episodes that were initiated by the non-CJR hospital before the reorganization went into effect, would not affect the CJR hospital's reconciliation payment.

CANCELED MANDATORY PAYMENT MODELS

The proposed rule would also cancel the mandatory Cardiac Rehabilitation Incentive Payment Model and Episode Payment Models for: acute myocardial infarction, coronary artery bypass graft, and surgical hip/femur facture treatments (SHFFT). These models were scheduled to begin on July 1, 2017, but have been subject to several delays under the Trump Administration.

New York City was only selected to participate in the SHFFT Model, which was intended to serve as an extension of the CJR Model. As with CJR, hospitals that are participating in Models 2, 3, or 4 of the BPCI would be exempt from SHFFT, regardless of whether they are in a mandatory MSA.