

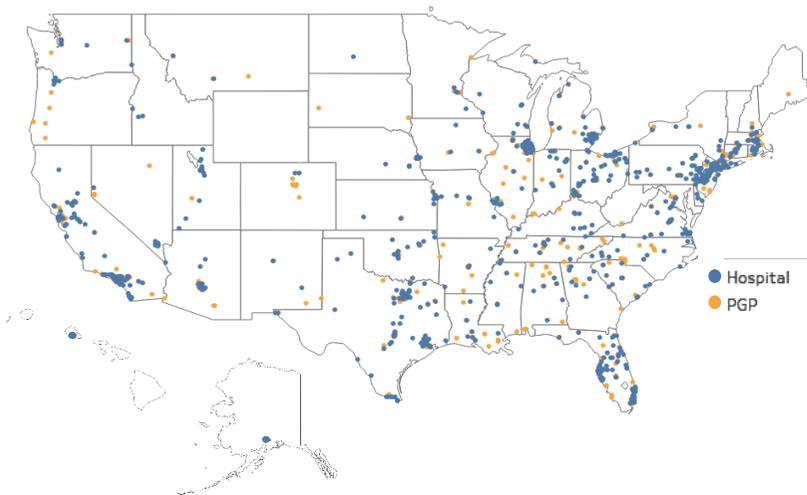
MODEL OVERVIEW

The Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model, launched on October 1, 2018, tests whether linking payments for a clinical episode of care can reduce Medicare expenditures while maintaining or improving quality of care. BPCI Advanced participants, which may be hospitals or physician group practices (PGPs), are financially accountable for the cost and quality of health care services during an episode, which begins with a hospitalization or an outpatient procedure and ends 90 days after discharge or the procedure.

At the end of each performance period, actual episode payments are compared to the episode initiating hospital's or PGP's target price. Participants can earn a reconciliation payment if episode payments are below their target price and participants with episode payments above their target price repay Medicare, after adjusting for their scores on a set of quality measures. Thus, participants have incentives to coordinate care across all providers involved in the entire episode.

PARTICIPANTS

As of March 1, 2019, there were **334 unique participants** that represented **715 hospital** and **580 PGP episode initiators** (EIs) and 82 of the participants entered as convener participants (conveners), which bear financial risk on behalf of at least one downstream EI. BPCI Advanced hospital EIs encompassed a broad range of all eligible hospitals. However, BPCI Advanced hospital EIs were more likely to be **larger, urban facilities** that were **part of a health system** and located in **more competitive markets** than all eligible hospitals.



Among the EIs:

81% joined under a convener

44% were downstream EIs under the five largest conveners

28% of PGP EIs did not exist during the four year baseline period (2013-2016)

REASONS FOR ENTRY

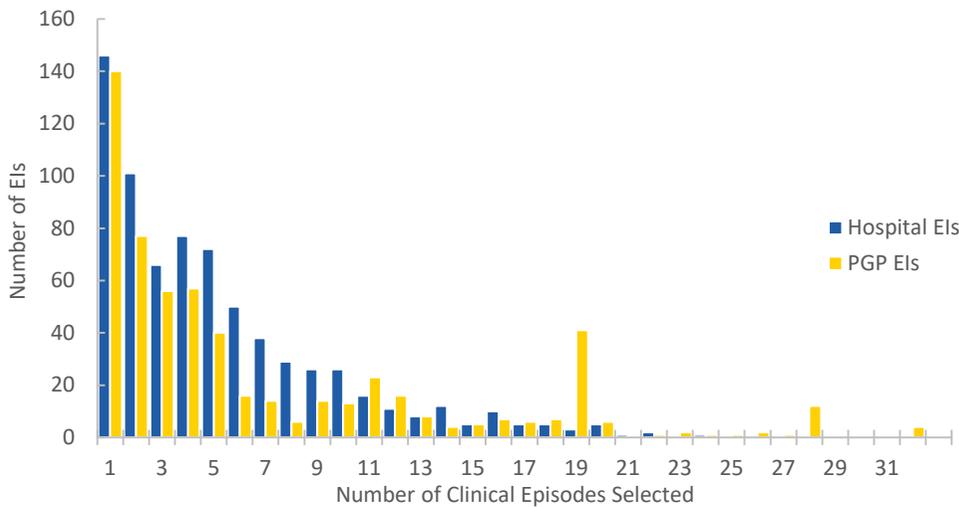
Convener and EI representatives interviewed cited similar reasons for joining BPCI Advanced, including:

Financial opportunities	To build on past success with bundled payments or other models such as CJR or ACOs	To gain experience with bundled payments	To drive care transformation and to better understand post-acute care utilization	To learn how to partner and work more collaboratively with physicians and hospitals
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Although BPCI Advanced qualifies as an Advanced Alternative Payment Model, most interviewees noted that this feature of the model was not a significant driver in the decision to participate

FINDINGS

Els generally participated in few clinical episodes under the BPCI Advanced Model



100% of the 32 clinical episodes were selected by at least one EI

55% of hospital EIs were participating in less than five clinical episodes and **20%** were only participating in one clinical episode

57% of PGP EIs were participating in less than five clinical episodes and **24%** were only participating in one clinical episode

Through the first six months of the model...

Clinical episode selection differed by EI type	BPCI Advanced hospitals had higher historical payments	There was generally broad participation
<p>Hospital EIs were more likely to participate in medical clinical episodes such as congestive heart failure</p> <p>PGP EIs were more likely to participate in surgical clinical episodes such as major joint replacement of the lower extremity</p>	<p>For all 32 clinical episodes, hospital EIs had higher median historical payments than hospitals that were eligible but did not participate in a given clinical episode. Even so, a range of hospitals participated, including those with historically lower payments</p>	<p>22% of eligible hospitals participated in at least one clinical episode</p> <p>23% of eligible clinicians were participating in the model</p> <p>Up to 16% of BPCI Advanced eligible discharges and outpatient procedures were at a BPCI Advanced hospital or were attributed to a BPCI Advanced PGP</p>

KEY TAKEAWAYS

There was generally broad participation in BPCI Advanced among hospitals and PGPs. Most participating hospitals and PGPs joined the model as downstream EIs under a convener participant and many cited similar reasons for entering the model. Although there was participation in all 32 clinical episodes, most EIs chose to participate in fewer than five. Hospital EIs had higher median historical payments for the clinical episodes they chose than hospitals that were eligible but chose not to participate. Future reports will incorporate estimates of the impact of the model on payments, utilization and quality of care, and Medicare program savings, in addition to beneficiary-reported outcomes on functional status and satisfaction.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the BPCI Advanced Model and to download the Year 1 Evaluation Annual Report, visit

<https://innovation.cms.gov/initiatives/bpci-advanced>