

MODEL OVERVIEW

The Comprehensive Care for Joint Replacement (CJR) model tests whether an episode based payment approach for lower extremity joint replacement (LEJR) can incentivize hospitals to reduce costs while maintaining or improving quality.

CJR participant hospitals are financially accountable for the quality and cost of health care services during the 90 day episode. At the end of each performance year, the hospital's actual episode spending is compared to the hospital's quality adjusted target price and hospitals can earn or lose money based on their performance.

All hospitals in selected areas were required to participate. The mandatory, randomized design allows insights that would not be possible from voluntary models due to the ability to observe results in a wide variety of hospitals and markets.

PARTICIPATION

In 2016, its first performance year, the evaluation examined LEJR episodes initiated on or after April 1, 2016 and ended by December 31, 2016.

43,801

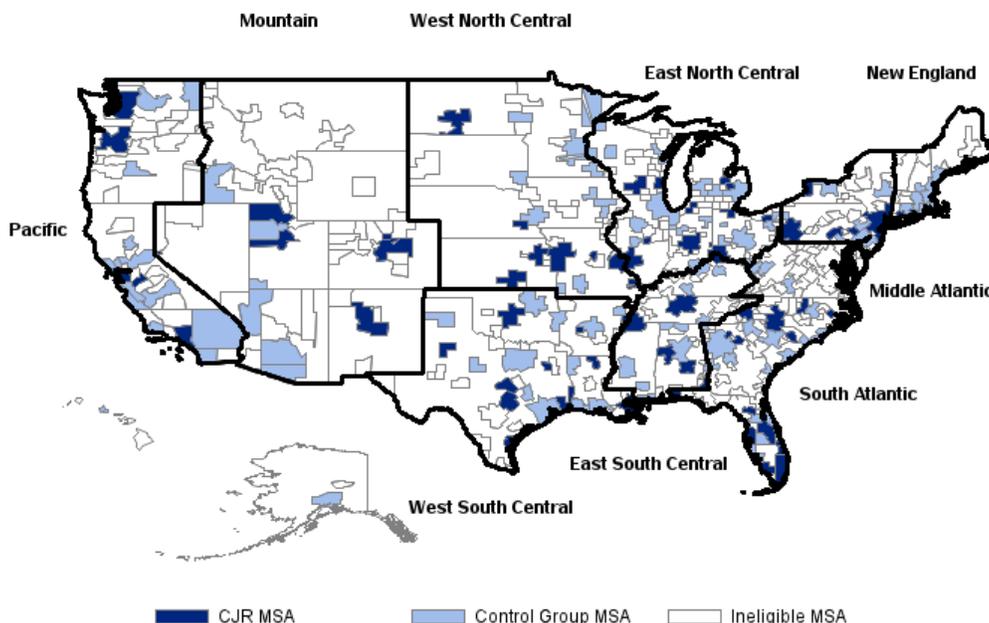
LEJR EPISODES

731

HOSPITALS

67

METROPOLITAN STATISTICAL AREAS



The approach of randomly selecting MSAs with varying degrees of historical costs and population sizes resulted in a diverse set of hospitals that span the nation.

This document summarizes the evaluation report prepared by an independent contractor. To learn more information about the CJR model and to download the full evaluation report, visit <https://innovation.cms.gov/initiatives/cjr>

GROSS REDUCTIONS IN SPENDING

Reductions in total episode payments were largely driven by reductions in the use of more intensive post-acute care settings and shorter lengths of stay.

\$910	Total Payments (per episode)
\$455	Skilled Nursing Facility Payments
\$350	Inpatient Rehabilitation Facility Payments
\$83	Part B Payments
\$109	Readmissions Payments

While high cost areas saw the greatest reductions in spending at 3.9%

Opportunities were found to reduce spending by 2.3% in low cost areas

*Estimated gross payments do not include reconciliation payments earned

UTILIZATION

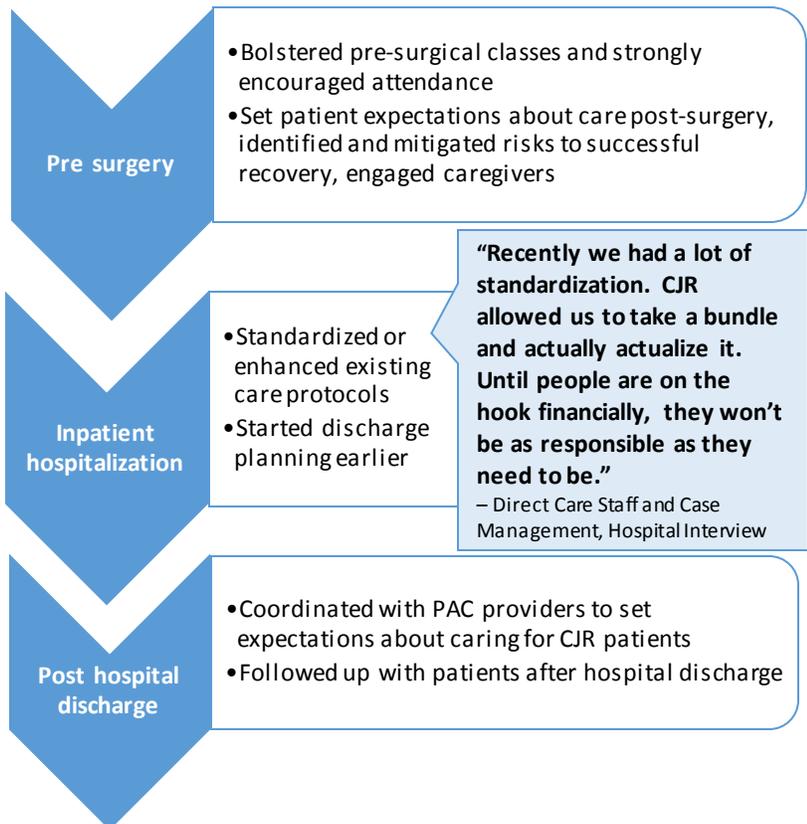
Among elective episodes, fewer patients are being discharged to inpatient rehabilitation facilities (IRF), and a relative larger proportion are being discharged directly home with home health agency services.

Among fracture episodes, utilization analyses suggest the substitution of SNF for IRF care.

Both elective and fracture patients are spending fewer days in SNF.

The shift to less intense post-acute care did not impact readmission rates, emergency department visits, and mortality.

HOSPITAL STRATEGIES



KEY TAKEAWAY

Results from the first performance year of the CJR model are promising and indicate that a mandatory episode based payment approach for LEJR episodes can achieve per episode payment reductions while maintaining quality for both planned LEJR episodes and those due to fracture. Prior to including the reconciliation payments earned by participants, estimated gross savings totaled approximately 40 million dollars. The CJR model inspired hospital actions and outcomes that are consistent with what has been achieved in other bundled payment initiatives.