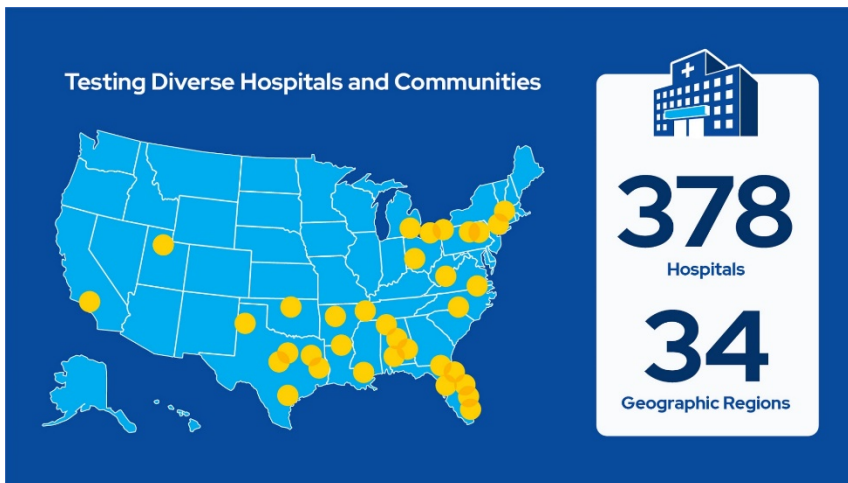


MODEL OVERVIEW

The Comprehensive Care for Joint Replacement (CJR) model is a five year model that launched on April 1, 2016 and tests whether a mandatory episode based payment approach for lower extremity joint replacement (LEJR) can lower payments while maintaining or improving quality. CJR participant hospitals are financially accountable for the cost and quality of health care services for an LEJR episode of care, which begins with the hospitalization for the surgery and extends for 90 days after the hospital stay. Actual episode payments are compared to the hospital's quality-adjusted target price. Hospitals can earn money if episode payments are below their target price and, starting in 2017, hospitals with episode payments above their target price repay Medicare. Beginning in year 3, hospitals in 34 selected geographic areas with the highest historical spending were required to continue in the model. This report focuses on model performance across three years in these "always mandatory" areas.

PARTICIPANTS



Medicare began covering total knee replacements performed in the hospital outpatient department in 2018, the third year of the CJR model.

Mandatory CJR hospitals shifted a lower proportion of knee replacement surgeries to the outpatient department than control group hospitals (19% vs 29%).

HOSPITAL STRATEGIES



Interviewees from CJR hospitals indicated they engaged interdisciplinary teams to coordinate care for LEJR patients.

"CJR has taken us from working in silos... to looking at the bigger picture of pre-op and post-discharge."
- Hospital Interviewee



Financial arrangements between hospitals and surgeons and the availability of surgeons in the market influenced hospitals' ability to control care redesign.

"Surgeons at this hospital are employed by the hospital, but are also owners so they do have incentives to make sure that they lower their cost."
- Hospital Interviewee



Some non-CJR hospitals received information about the CJR model, as well as strategies and best practices in care redesign, from their health system, which included CJR participant hospitals.

"Even though we're not [in CJR], we kind of act like we are. That way, if and when we [join CJR], it would be an easy transition because we're already doing it."
- Interviewee from non-CJR hospital

FINDINGS

Mandatory hospitals under the CJR model reduced average episode payments, resulting in Medicare savings



This estimate is based on all LEJRs (inpatient and outpatient) and may underestimate savings for mandatory CJR hospitals.

Measures of quality of care improved or were maintained

Improved

- ✓ Unplanned readmission rate
- ✓ Complication rate (elective LEJR episodes)

Maintained

- ✓ Emergency department visits
- ✓ Mortality

Patients report similar improvement and care experiences

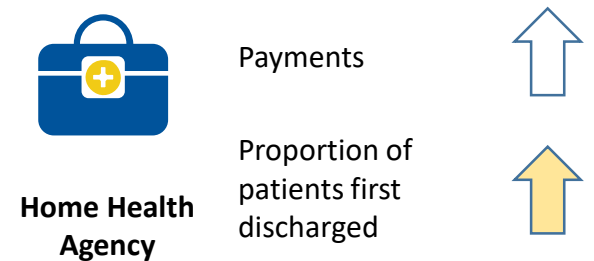
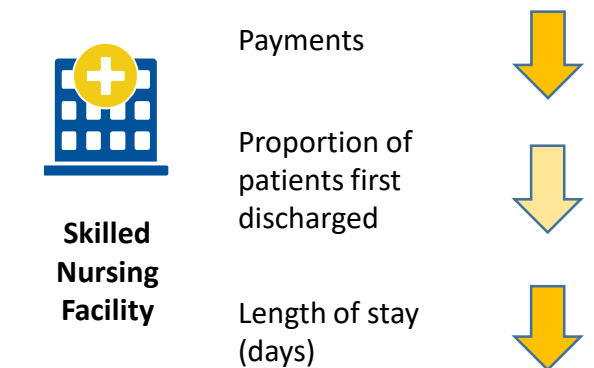
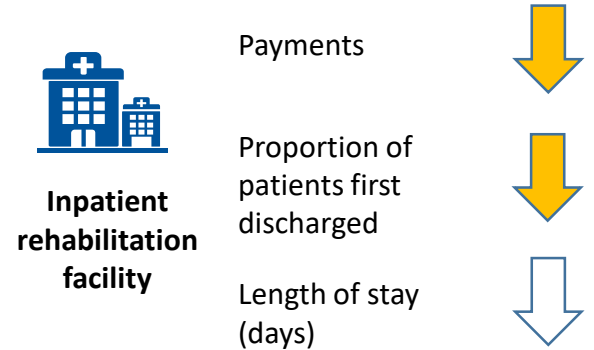
By the end of the episode, CJR and control patient survey respondents had similar improvement in functional status, as well as similar satisfaction with their overall recovery and the management of their care.

Some CJR survey respondents reported less satisfactory care transition experiences and required more caregiver help at home than control group patients.

KEY TAKEAWAYS

During the first three years of the model, mandatory CJR hospitals achieved a statistically significant decrease in average payments for all LEJRs (inpatient and outpatient) relative to the control group. After accounting for net reconciliation payments, estimated net savings for these LEJRs was \$61.6 million (a savings of 2% of the baseline). The gross reduction in payments was due to decreases in institutional post-acute care use. Measures of quality of care improved or were maintained under the CJR model. Hospital interviewees reported strategies to coordinate care throughout the episode, however the amount of control hospitals had over care redesign was influenced by hospital resources and market conditions.

Payment reductions due to shifts in post-acute care



Not significant p < 0.05 p < 0.01