

MODEL OVERVIEW

The Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model tests whether holding participants financially accountable for the cost and quality of health care services during an episode can reduce Medicare spending while maintaining or improving quality of care.



Episodes begin with a hospital stay or an outpatient procedure initiated by a participating hospital or physician group practice (PGP) and end 90 days after discharge.



Model participants can earn a reconciliation payment if episode payments are below their target price, or they may be required to repay Medicare if episode payments are above their target price, after considering the quality of their care. This payment approach encourages participants to coordinate care across all providers involved in the episode.

DESIGN CHANGES IN MODEL YEAR 4 (2021)

CMS made significant design changes starting in Model Year 4 to improve the model's likelihood of achieving Medicare program savings and to expand care redesign activities to more patients:

	Model Years 1–3	Model Year 4
Clinical Episode Selection	Participants could choose individual clinical episodes, such as stroke, for which they would be financially accountable.	Participants could choose from eight broad groups of clinical episodes, or clinical episode service line groups (CESLGs), such as <i>neurological care</i> , and were financially accountable for all clinical episodes within the selected CESLGs.
Target Price Approach	Participants received a preliminary and final target price based on prospective trends.	Participants received a preliminary target price based on prospective trends, and their final target price was adjusted during reconciliation using a retrospective trend.

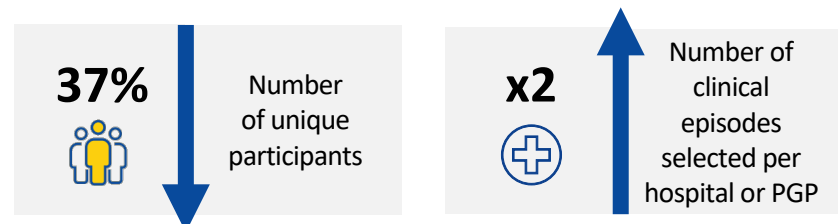
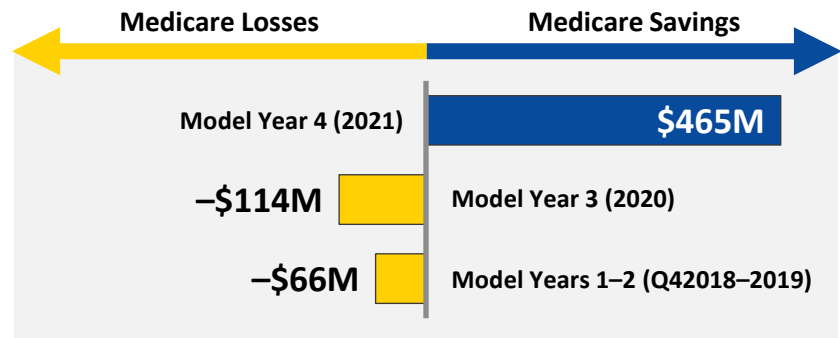
KEY MODEL YEAR 4 FINDINGS

Medicare Program Savings

For the first time since its inception in the fourth quarter (Q4) of 2018, the BPCI Advanced Model resulted in net savings to Medicare, estimated to be **\$465 million** (or 3.4% of what Medicare payments would have been had the model not existed), offsetting losses in earlier model years.

Participation

After the design changes in Model Year 4, the number of unique participants declined, but the remaining hospitals and PGPs were accountable for more clinical episodes.



IMPACTS OF THE MODEL

Episode Payments	↓	Decrease in payments per episode
Utilization	↓	Decrease in discharges to post-acute care facilities and length of stay in skilled nursing facilities
Quality	↕	Varied results for readmission and mortality rates
Patient Experience	↕	Varied results for patient-reported functional status, care experience, and satisfaction with care*

Model Year 4 participants reduced total episode payments by **\$930 per episode**, or 3.5% of the baseline mean, relative to the comparison group.

Changes in post-acute care use and spending drove this reduction in payments.

■ Favorable result ■ Varied result *Analysis included data from Model Year 4 (2021) and Model Year 5 (2022).

CARE TRANSFORMATION UNDER BPCI ADVANCED

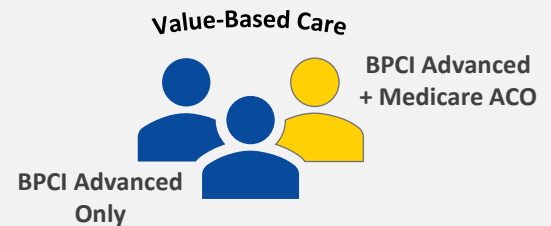
Hospitals and PGPs implemented care redesign activities that transformed care across four domains:

Culture	Reshaped patient and provider expectations about appropriate discharge destinations and enhanced provider awareness of costs, utilization, and quality of care in the acute and post-acute care settings.
Structure	Invested in technology and care management tools and staff.
Process	Reviewed data, standardized care pathways, identified and mitigated medical and social risk factors, monitored patients after discharge, and connected patients to primary care providers.
Relationships	Formed new partnerships between inpatient providers and post-acute care facilities.

BPCI ADVANCED EXPANDED THE REACH OF VALUE-BASED CARE

Two in three BPCI Advanced patients were not attributed to Medicare Accountable Care Organizations (ACOs) in Model Year 4, which shows that BPCI Advanced effectively links additional patients to value-based care.

2 in 3
BPCI Advanced patients were not attributed to a Medicare ACO



BPCI Advanced also promotes CMS' **health equity** goals through these new linkages. In Model Year 4, BPCI Advanced patients who were not in a Medicare ACO were more **clinically complex** and more likely from **underserved populations** than BPCI Advanced patients who were in an ACO.

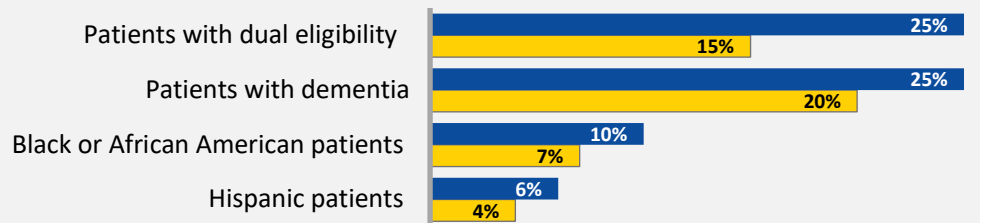


Chart shows share of BPCI Advanced episodes in Model Year 4 for patients who were part of: ■ BPCI Advanced only ■ BPCI Advanced and a Medicare ACO