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CENTERS FOR MEDICARE & MEDICAID SERVICES
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Findings at a Glance

Comprehensive Care for Joint Replacement (CJR) Model

Evaluation of Performance Year 6 (Oct. 2021–Dec. 2022)

MODEL OVERVIEW AND IMPACT OF POLICY CHANGES

The CJR model launched on April 1, 2016, to test whether an episode-based payment model for Lower Extremity Joint Replacements (LEJRs) can lower payments while maintaining or improving quality.

In Performance Year 6, the CJR model included…

53,000 + joint replacement procedures

- 21,000 Inpatient procedures
- 32,000 Outpatient procedures

323 hospitals

34 metropolitan statistical areas

Model Design Highlights

- Holds hospitals financially accountable for the cost of surgery and health care services for the following 90 days
- Considers performance relative to a hospital's regional peers and links payment to quality
- Establishes higher quality-adjusted target prices for more complex episodes

Policy Changes for Performance Year 6

Target Prices	CMS revised the methodology used to calculate the target prices. CMS aimed to make the target prices more accurate and adaptable by aligning with practice patterns and payment methodology, including adding site-neutral pricing for inpatient and outpatient procedures and recognizing high-quality care.
Episodes of Care	CMS changed the definition of an episode of care to include total knee arthroplasties (TKAs) and total hip arthroplasties (THAs) performed in the outpatient setting.
Participants	The model changed so that it no longer includes rural and low volume hospitals. It also ended the policy that allowed for voluntary participation outside of the 34 mandatory MSAs.

KEY TAKEAWAYS

In Performance Year 6, CJR hospitals continued to optimize post-acute care use, achieve value, improve patient satisfaction, and widen access to LEJRs.

- CJR hospitals reduced facility-based post-acute care use, which drove reductions in LEJR episode payments.
- The CJR model generated Medicare savings in Performance Year 6.
- CJR hospitals maintained quality of care for LEJR patients.
- Hospitals associated with a Medicare Accountable Care Organization (ACO) leveraged the aligned incentives between CJR and ACOs to transform care.

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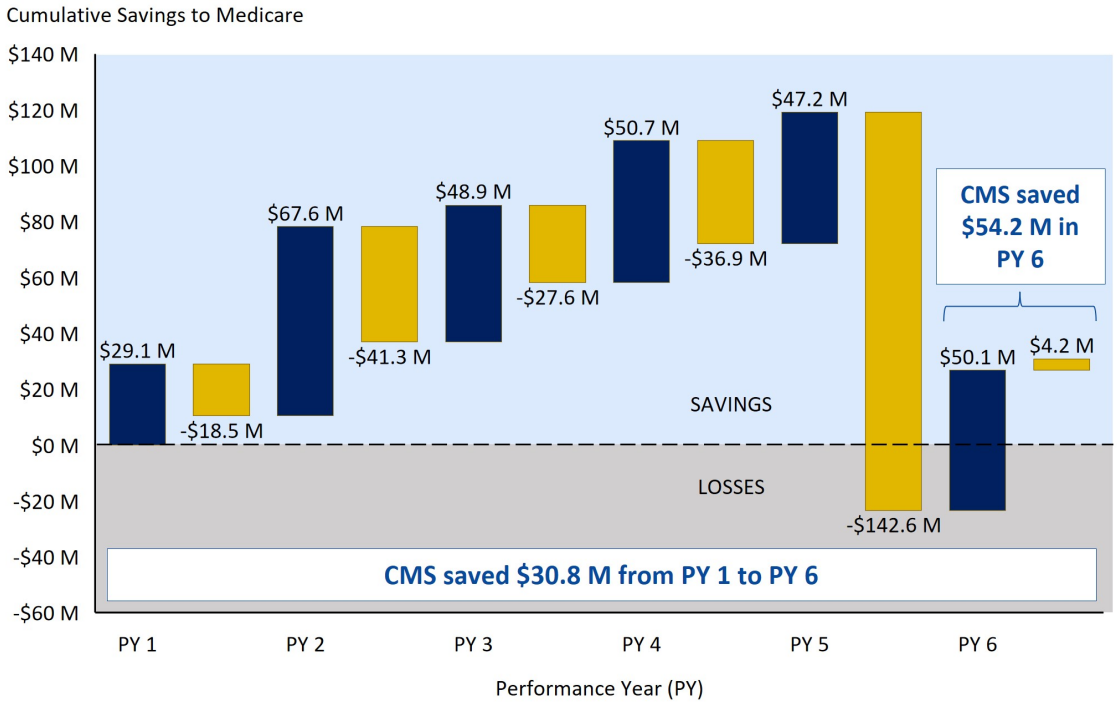
CJR HOSPITALS GENERATED STATISTICALLY SIGNIFICANT MEDICARE SAVINGS OF $54.2 M IN PERFORMANCE YEAR 6

Medicare savings = **Savings on episode payments** - **Payouts to or repayments from hospitals**



Medicare savings in PY 6 were driven mainly by reductions in episode payments and, to a smaller extent, repayments from hospitals which exceeded payouts from CMS.

CJR hospitals reduced average episode payments by $1,171 relative to control hospitals.

Roughly the same number of hospitals owed repayments to CMS as hospitals earned payouts from CMS.

CJR HOSPITALS MAINTAINED QUALITY WHILE REDUCING COSTS

- ✓ Though the model decreased post-acute care use, the CJR model had no significant impact on the rate of unplanned readmissions, emergency department use, mortality, or complications.
- ✓ Overall, patients who had a joint replacement at CJR and non-CJR hospitals reported similar changes in functional status post-surgery, levels of satisfaction with their overall recovery, and levels of help from their caregivers after returning home.

CONCURRENT CJR AND ACO PARTICIPATION LED TO INTEGRATIVE VALUE-BASED CARE APPROACHES

A key benefit referenced by CJR hospitals aligned to a Medicare Accountable Care Organization (ACO) was the availability of an additional layer of data and care coordination for patients.

Participation in an ACO strengthened some CJR hospitals' strategies to improve cost and quality of care by providing extra resources for:

- Using data to inform care pathways
- Strengthening care coordination
- Monitoring patient outcomes

Hospitals' experience with Medicare ACOs and CJR are influenced by relationships with:

- Larger health systems
- Providers
- Participation in other value-based initiatives

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the CJR Model and to read the latest evaluation reports, visit https://www.cms.gov/priorities/innovation/innovation-models/cjr.