Cleveland Clinic

How to Succeed in Total Joint Replacement Bundled Payments: Cleveland Clinic Complete Care

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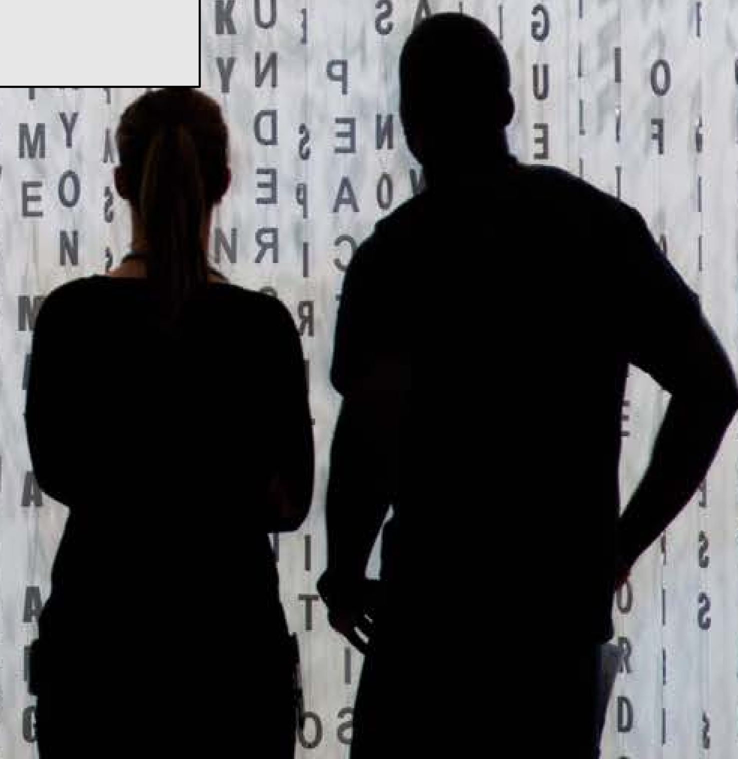

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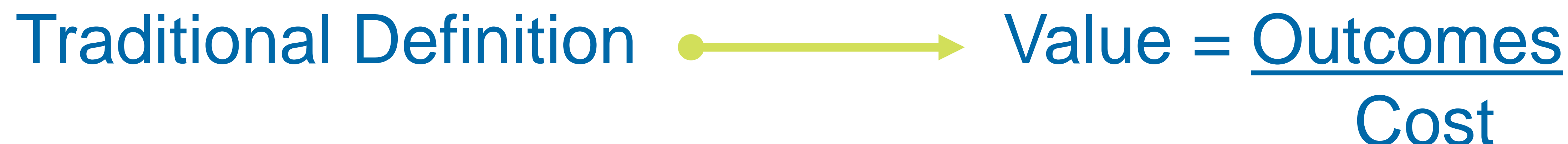
Cleveland Clinic

- 44,000 employee caregivers
- 5.1 million total visits
- 50 states and 132 countries patient coverage
- 160,600 hospital admissions
- 3,000+ physicians and scientists
- 8 community hospitals, 16 family health centers
- Florida, Nevada, Toronto, Abu Dhabi

Agenda

- Why Bundled Payments
- Cleveland Clinic Complete Care Approach to BPCI
- What's Next? Comprehensive Care for Joint Replacement

The Value Equation



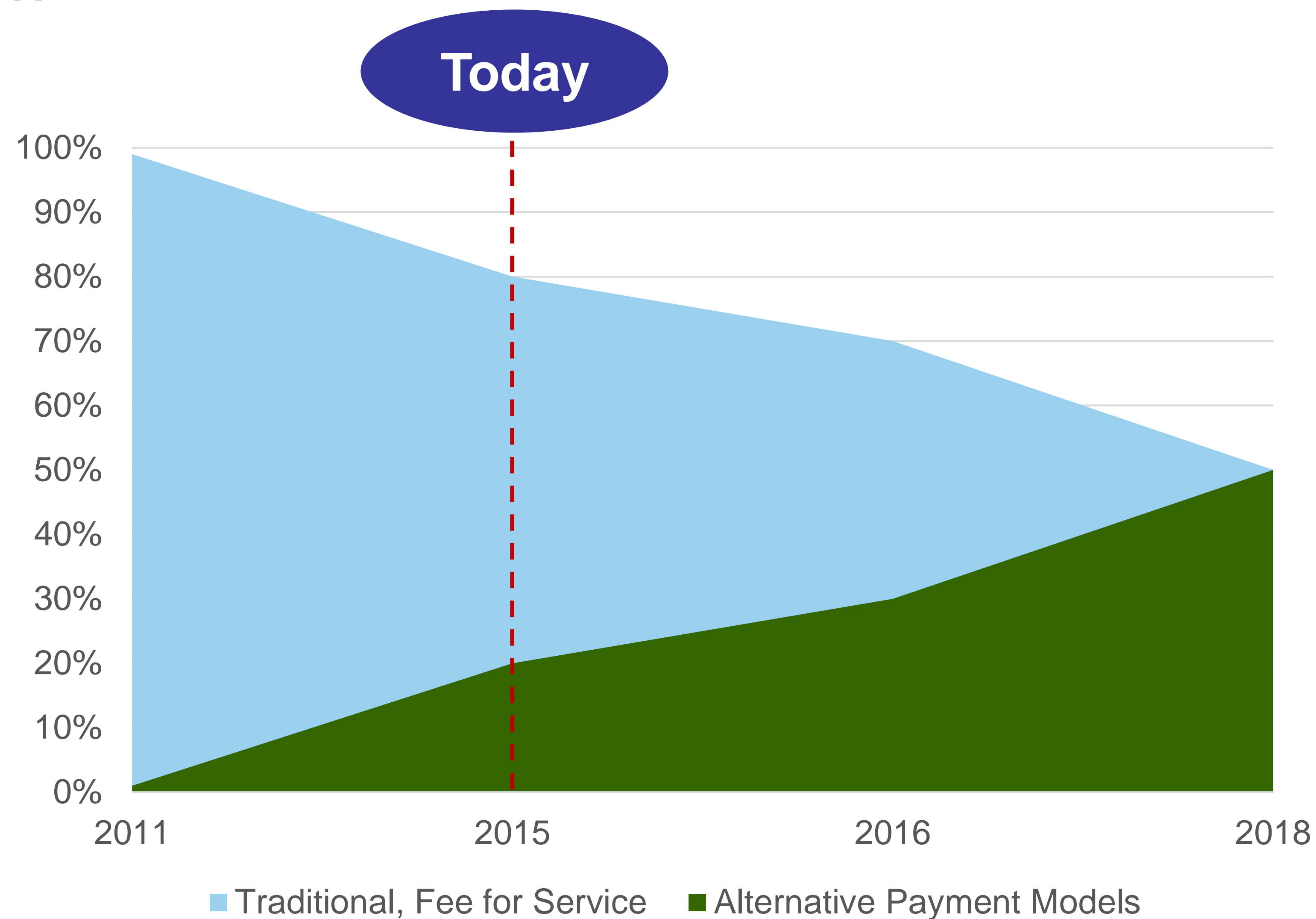
$$\text{Value} = \frac{\text{Quality} + \text{Patient Experience} + \text{Functional Status* Event}}{\text{Cost (Episode} + \text{Ongoing Care)}}$$

Enhanced product attributes Differentiation	Cost Reductions 5-10% per case

*Return to work and quality of life

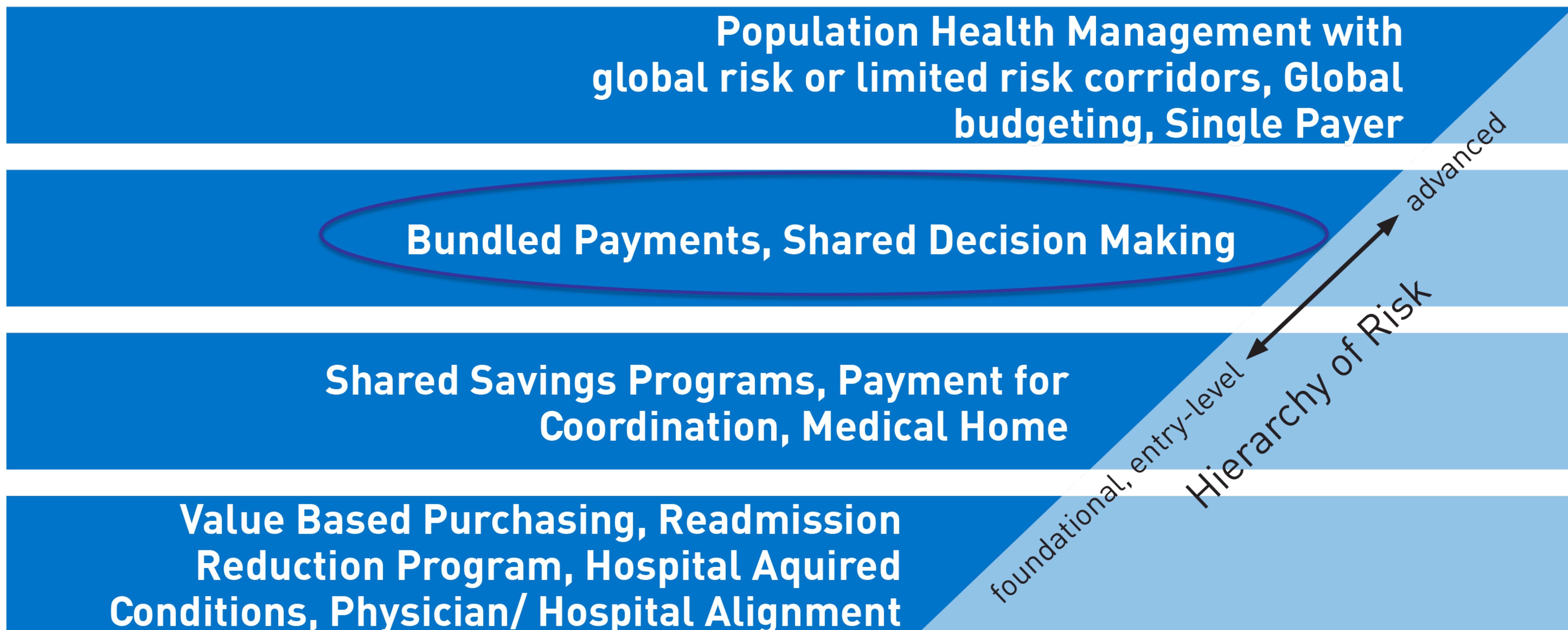
CMS is Spearheading Payment Reform

"…HHS has set a goal to have 30 percent of Medicare payments in alternative payment models by the end of 2016 …50 percent by the end of 2018…"



Source: HHS Press Office, January 2015

How do we think CMS will get there?



Source: Dixon Hughes Goodman, May 2015

What are bundled payments?

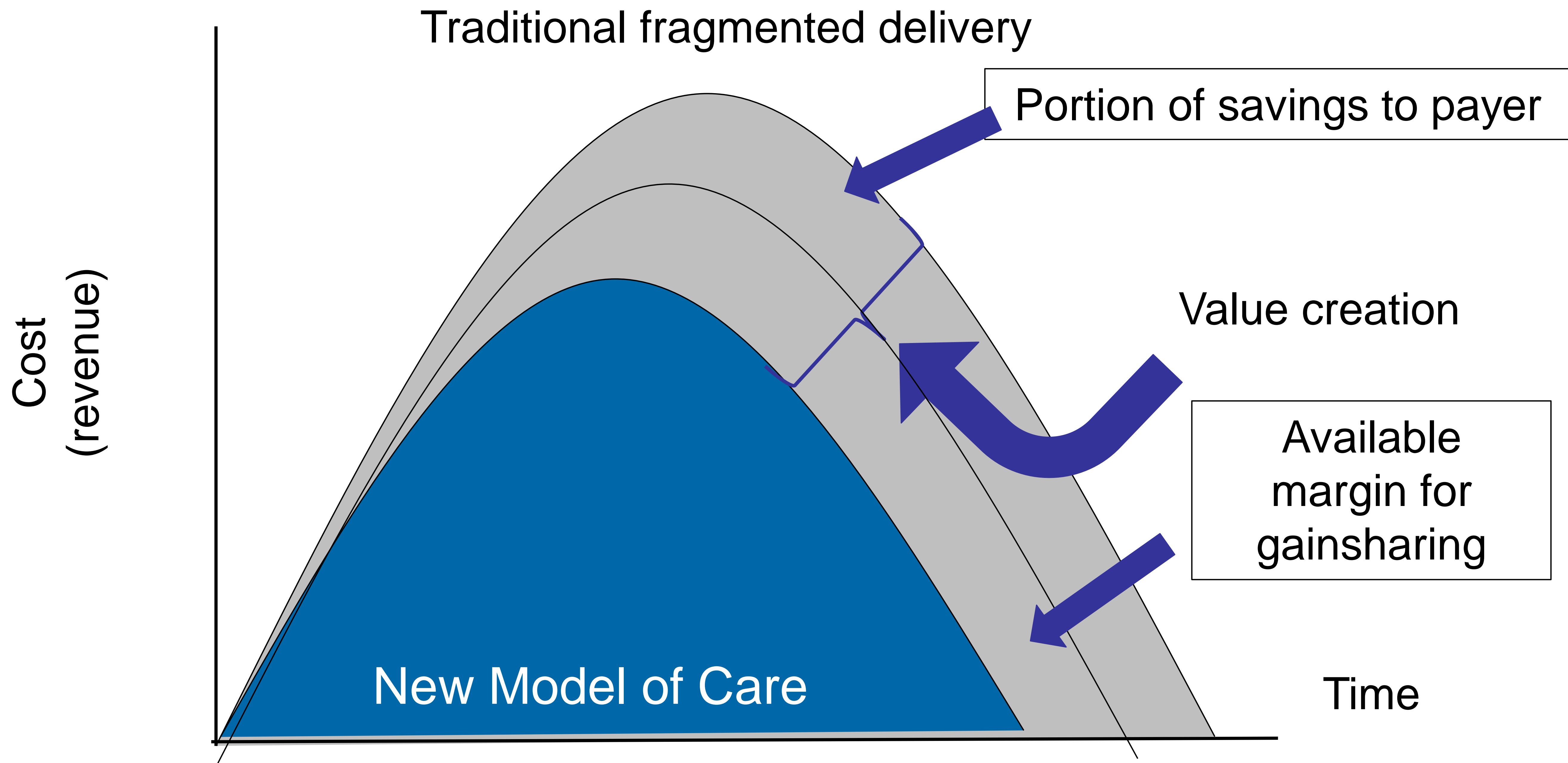
Total Joint: Fee for Service

Total Joint: Bundled Payment

When change in health status demands intervention, managing the entire episode is preferable to fragmented care delivery

Care redesign focusing on improved care coordination and patient and provider engagement yields better care at lower cost

The Business Case: Value is Created by Better Episode Management through Care Redesign



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Euclid Hospital Bundled Payments for Care Improvement Agreement with Medicare

Bundle	MS DRGs 469 & 470 Primarily total hip/knee replacements
Episode Duration	Index Admission, 30 days post-acute
Contract	3 years (10/1/13 – 9/30/16)

Episode of care was defined by CMS and priced based on historic CMS spend. No providers are excluded.

Key Provisions: Waivers and Gainsharing

Waivers

- 3-day SNF waiver for Post Acute Care payment
- Home health "incident to" rule is waived for home health status

Gainsharing

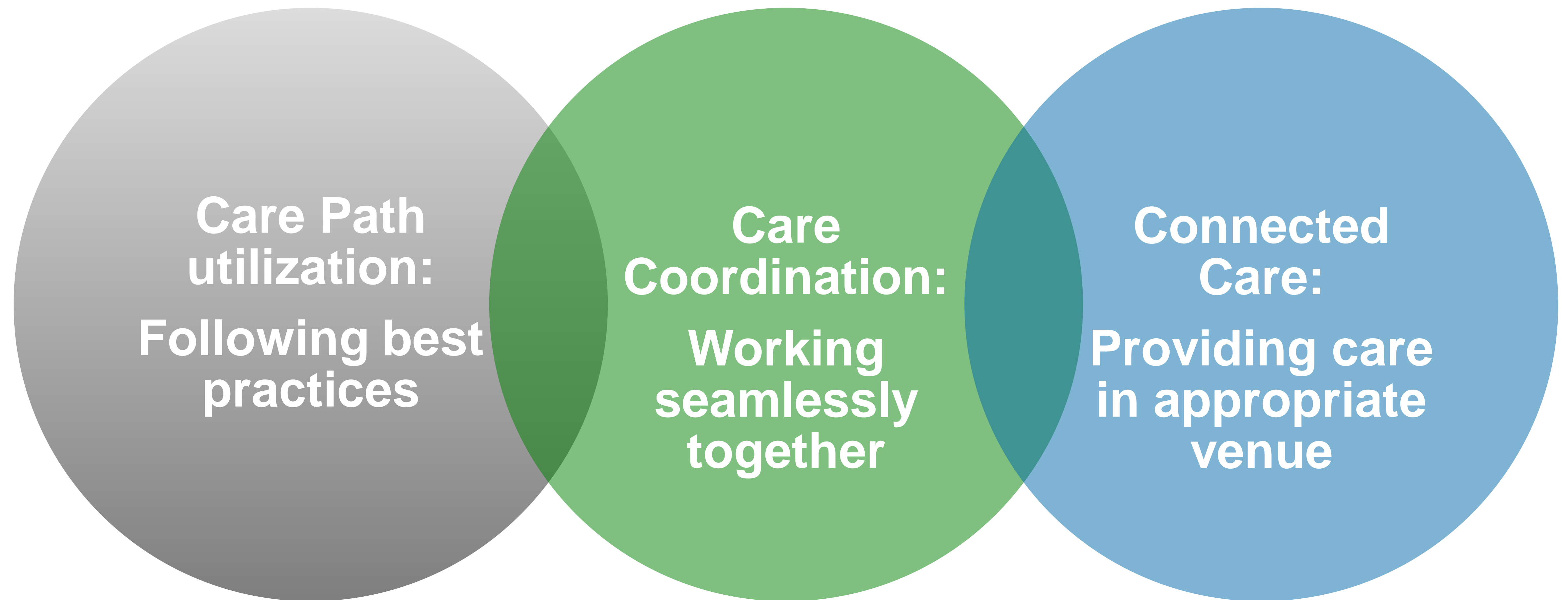
- Opportunity to share reward among participating providers*

* In process of developing gainsharing model based upon the gainsharing waiver

Episode-Based Complete Care Philosophy

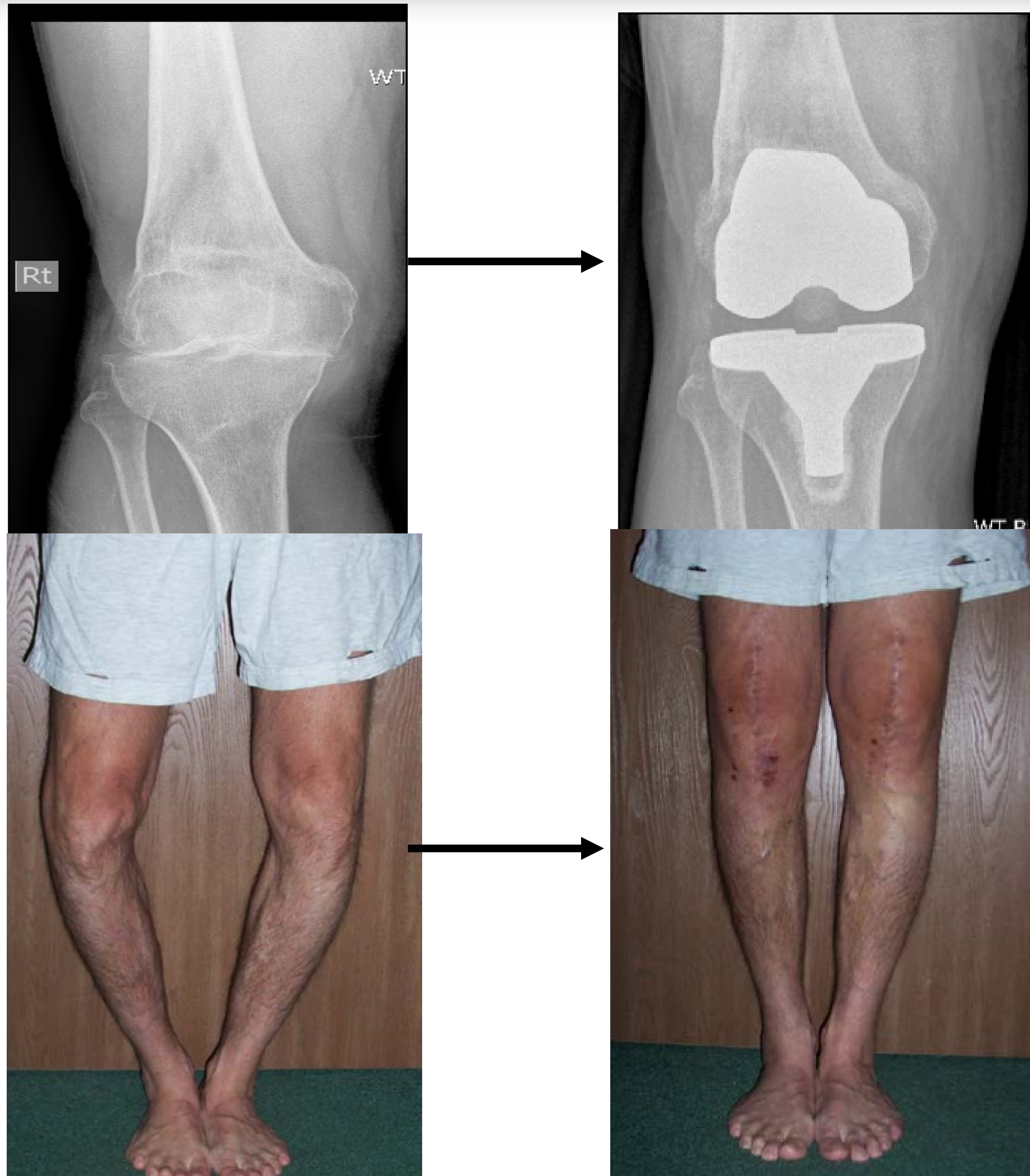
Care Redesign Comes First

Our Promise to Patients: We will deliver all the care needed to get you through entire episode of care



Patient Commitment: You must be engaged in every step of the process, bring resources, get educated and work with us to modify your risk

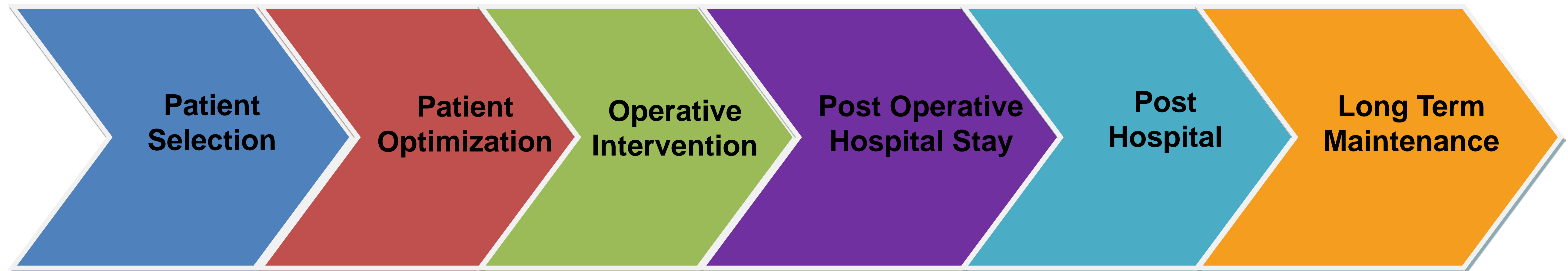
The Patient Perspective: Viewing Care as a Complete Episode is What Patients Want



Provider Centered: Bundled Payment

Patient Centered: Complete Care

Care Redesign
Total Joint Complete Care



Leverage Care Path for Indication

- Severity of symptoms
- Failure at other attempts to treat
- Objective evidence of disease

Is this patient optimized for surgery?

Patient Optimization

- Diabetes: Hgb A1c if >7
- Smokers
- BMI: if >40
- Anemia
- Staph colonization
- Anticoagulation history (DVT/PE)

Also….Should it be scheduled or delayed based on:

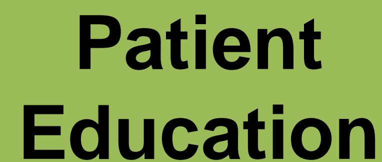
- Psychologically and Medically fit for surgery
- Adequate support and home environment

Operative Intervention

- Engaged patient and support system
- Short acting blocks during surgery

Patient Education

Engaged and educated patients…



- Patients need to be actively engaged and become drivers of their recovery
- Families and other support personnel must be identified preoperatively and actively engaged and committed to helping the patient recover
- Preoperative class
- Patients should own their risk factors

Post Operative Hospital Stay

Time in the hospital should be minimized…

Defined Criteria for safe return home:

- Physiologic Function Return
- Pain Managed with Oral Medications
- Safe Environment at Home

Post Hospital

Patients should be discharged home if safe…

- Rehabilitation of a THA or TKA can be done as effectively at home or as outpatient
- There is no inherent advantage to being inpatient
- Educated/motivated patient is key

Long Term Maintenance

Patients should be discharged home if safe…

- Follow up after surgery
- Own their rehabilitation and recovery
- Continued management of identified pre-surgical optimizations

Our Episode Value Scorecard

	Clinical Outcomes	Patient Safety
Process measures	Physical Therapy day of surgery Decrease in pain medications needed Compliance with Care Path	Core measures Patient optimization prior to surgery
Outcomes measures	PRO, Koos/Hoos Return to work/sports Range of motion PT test, Pain free	Pt safety indicators, SSI, Readmissions, Re-operations, Post Operative falls, Post Op Nausea/vomiting Transfusion
	Patient Experience	**Efficiency**
Process measures	Patient and family education Engaged and activated patients Family/Support person involvement Quality shared decision making Appt. when wanted Feel prepared for discharge Joint Class	Resource utilization Cost of care Utilization Review: avoiding unnecessary tests, Reduced LOS, Discharge disposition
Outcomes measures	HCAHPs Return/second surgery	Total cost of care Contributions to cost (acute, post acute venue, complications, readmissions)

Cleveland Clinic's Joint Replacement of the Lower Extremity Implementation Initiative

- One regional hospital has been in the initiative for 24 months
- In 2015, the initiative was rolled out to 7 other Cleveland Clinic Regional Hospitals
- Preparing to rollout to Weston Florida CC to support the recently proposed CMS Comprehensive Care for Joint Replacement Model

One anecdote…

Situation:
Patient could not be discharged because they could not afford a medication

Attending physician wanted to discharge the patient to SNF solely to obtain the medication	Average SNF stay: $8,260
Hospital's cost to administer the medication in the hospital and discharge patient home	Medication: $50
Marriage of clinical and financial	Priceless

Results

Every Quality and Efficiency Measure Improved

	Baseline Data	Euclid Hospital Results			
Year	2013	2013	2014		
Quarter	Q1	Q4	Q1	Q2	Q3
Medicare A/B Patients*,†	72*	65†	61†	66†	79†
Cauti rate*	5.2	0	0	0	0
LOS*	3.40	2.90	2.67	2.87	3.01
Readmission*	5.0%	2.0%	1.6%	2.7%	2.0%
Discharge Disposition Home / HHC*	39%	71%	75%	70%	68%
Discharge Disposition SNF*	56%	28%	25%	30%	31%
HCAHPS - Overall Rating*	73%	88%	78%	84%	85%

Sources: † 2014Q3 CMS Reconciliation Report 2058-002 | *Cleveland Clinic

Results
Care Redesign Leads to Value Creation

- Total savings = $523k across 271 patients/Clinical Episodes
- CMS gained $160k through a 3% episode discount
- Cleveland Clinic gained $363k through reduced expenditures
- Please note: Data represents Q4 2013 - Q3 2014

Source: 2014Q3 CMS Reconciliation Report 2058-002

Challenges

- There is a big difference between elective and emergent cases in terms of potential complications, overall outcomes and cost (ex. THA for hip fractures)
- There is no optimal risk stratification system to either exclude patients or make overall assessments on both quality and reimbursement
- Academic and tertiary health care centers are at higher risk

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Comprehensive Care for Joint Replacement vs. BPCI Model 2

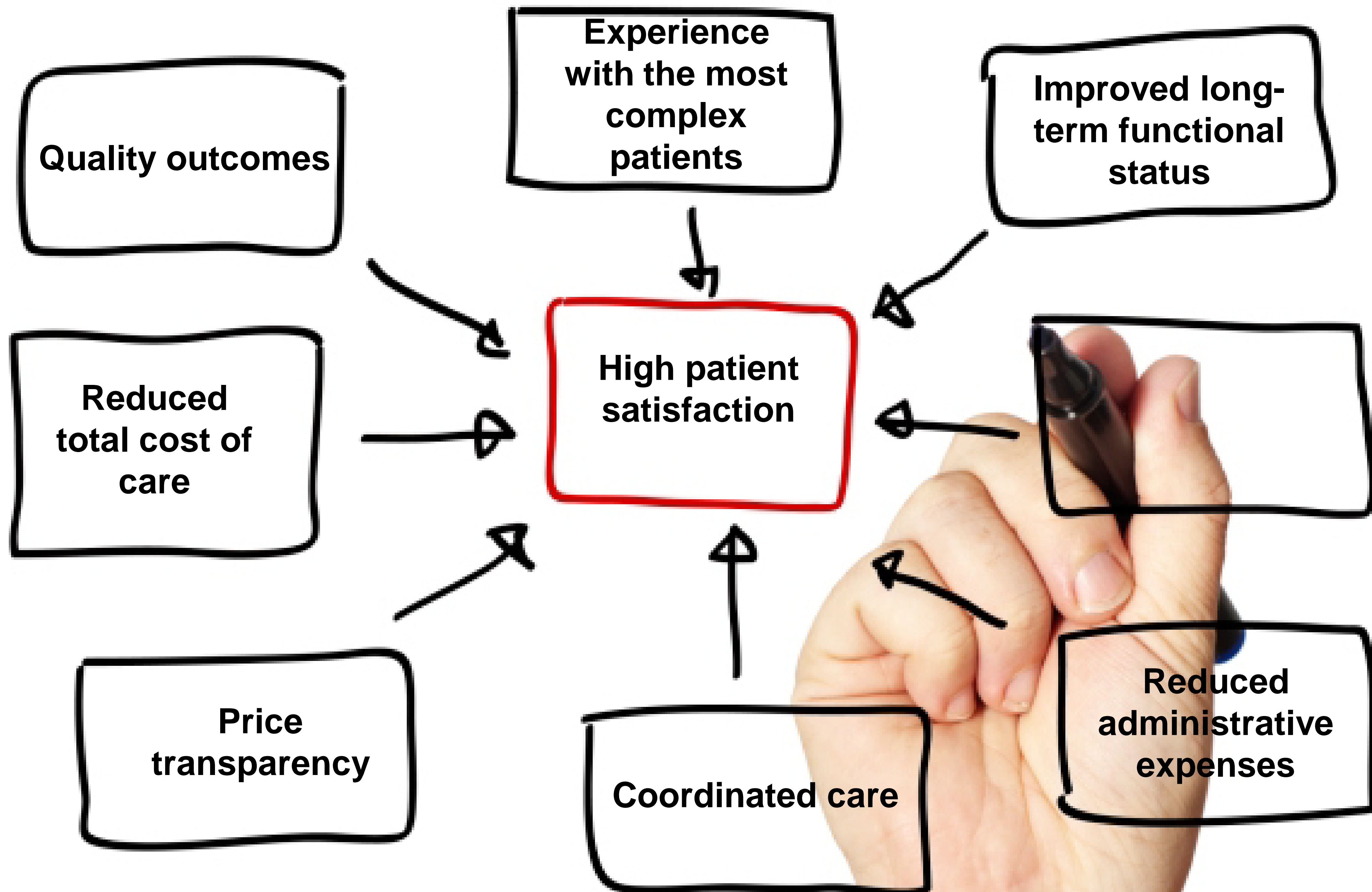
	CCJR	BPCI
DRGs	469/470 Major Joint Replacement of the Lower Extremity	469/470 Major Joint Replacement of the Lower Extremity
Term	5 years	3 years
Include Inpatient Stay	Yes	Yes
Post-acute window	90 days	30 days
Discount Rate	2% or 1.7% with PROs	3%

Comprehensive Care for Joint Replacement Program Concerns

We have submitted the following – Final Rule Nov. 2015

- Reduce episode duration from 90-day to 30-days
- Exclude Hip Fractures receiving an endoprosthesis
- Change the “exclusions” list to an “inclusions” list directly related to the procedure
- Allow waiver access for all 5 performance years
- Allow for home environment check prior to surgery
- Eliminate All Cause Readmission Quality Score
- Eliminate Hospital Level Risk Standardized Complication Rate
- Increase weight for Patient Reported Outcomes

Value of the Episode is Driven Through…



Every life deserves world class care.