

Agreement 4: Heart Failure Readmission Prevention Program

Parties: CardioVital Services and Blue Shield Health Insurance Country: United States Disease Area:

Congestive Heart Failure Agreement Overview: This agreement represents an advanced alternative payment model designed to address the high readmission rates and costs associated with congestive heart failure. Targeting approximately 1,200 Medicare Advantage beneficiaries with NYHA Class II-IV heart failure across three states, this contract creates a comprehensive care model that integrates inpatient, outpatient, rehabilitation, and home care services. The agreement was developed in response to CMS penalties for excessive heart failure readmissions and incorporates principles from successful ACO models.

Financial Structure:

- Bundle payment: \$28,500 per patient for 12-month episode of care (encompasses all heart failure-related services)
- Shared savings: 60% to provider/40% to payer for costs below target, calculated quarterly with annual reconciliation
- Penalty: 10% repayment for 30-day readmission rates above 15% (national average is 22%)
- Quality metrics tied to payment:
 - Patient-reported outcome measures using KCCQ-12 scores (25% of incentive pool of \$3.5M)
 - Medication adherence to guideline-directed medical therapy (25% of incentive pool)
 - Cardiac rehabilitation completion – minimum 24 sessions (50% of incentive pool)
- Stop-loss provision: Maximum downside risk of \$150,000 per quarter for provider organization
- Advanced payment model: \$780 per patient upfront to fund care coordination infrastructure
- Risk adjustment: Payment adjusted based on ejection fraction, comorbidities, and social determinants of health

Duration: 3 years with annual target recalibration Special Provisions:

- Includes remote monitoring devices for daily weight, blood pressure, and symptom tracking (\$420 per patient)
- Home care services including medication reconciliation and environmental assessment
- 24/7 nurse triage line with standardized protocols for symptom management
- Palliative care integration for advanced heart failure patients
- Transportation benefits for medical appointments
- Nutritionist services for sodium-restricted diet planning
- Multidisciplinary heart failure clinics with same-day acute care availability
- Provider education program on optimal guideline implementation