

BPCI Advanced and ACOs

The Innovation Center has introduced a new Alternative Payment Model option entitled, “The Bundled Payments for Care Improvement Advanced” (BPCI Advanced). This is a voluntary [model](#) which builds upon the original BPCI model, with several changes made based upon the learnings from BPCI. Unlike its predecessor, this model is not limited to specific geographic regions. This model is a single, retrospective bundle payment with a 90-day clinical episode duration. The model will qualify as an Advanced Alternative Payment Model (Advanced APM) and therefore be eligible for the five percent Advanced APM bonus provided by the Medicare Access and CHIP Reauthorization Act (MACRA), subject to Qualifying APM Participant (QP) thresholds.

ACOs and BPCI Advanced

In the BPCI Advanced [Request for Application](#), it is noted that ACOs may simultaneously participate in both the BPCI Advanced and ACO models. According to CMS staff, ACOs may participate as Conveners, Non-Conveners or as “Net Payment Reconciliation Amount (NPRA) Sharing Partners.” However, CMS also reserves the right to add additional program criteria or parameters to those participating simultaneously in multiple models.

Further, CMS states that Track 3 ACO patients as well as patients of Next Gen ACOs, VT All Payer Model ACOs and Comprehensive ESRD Care (CEC) Model ACOs will be excluded from BPCI Advanced. While NAACOS is pleased to see CMS recognize the need to remove such patients from bundles such as BPCI Advanced, we are disappointed that CMS chooses not to exclude most ACO beneficiaries including those in the Medicare Shared Savings Program (MSSP) tracks 1, 1+ and 2. This repeats a flawed policy that undermines ACOs and creates confusion among providers and Participants.

However, the final 2018 Medicare Physician Fee Schedule rule included a new policy for how payments for other programs are handled for ACO reconciliation. Specifically, for MSSP CMS states: *“when calculating expenditures for performance year 2018 and subsequent performance years, we would only include individually beneficiary identifiable payments made under a demonstration, pilot, or time limited program that are final and not subject to further reconciliation. To be consistent with our treatment of claims-based payments, such final payments would have to be available in the separate CMS system by the end of the 3- month claims run out period.”*

Agency staff later clarified via email how this will be handled, stating:

“Starting in 2018 we will only include final non claims based payments in ACO benchmarks and financial reconciliation so under the current BPCI reconciliation timelines final reconciled BPCI payments will not be available within MSSP’s 3 months claims runout generally so they won’t be included. BPCI payment amounts that are subject to additional true-ups will not be included in the Shared Savings Program benchmark or performance year calculations beginning in 2018. For SSP purposes, the determination of “interim” versus “final” payment is not based on whether a payment has been made

to the BPCI participant, but whether all reconciliations have been completed for the individual episode and the payment is marked as final by BPCI.”

For example, on March 31, 2019, the last day of the 3-month claims runout, all of the BPCI Performance Quarters in 2018 will still be subject to additional true-ups. Therefore, no BPCI Performance Period would be "complete" and, by consequence, no BPCI NPRA will be incorporated into the MSSP 2018 Performance. Therefore, it is likely the same policy would apply also to BPCI payments reconciled at year's end.

Model Overview

BPCI Advanced will focus first on 29 inpatient clinical [episodes](#) as well as three outpatient clinical episodes. Participants must meet prospectively established target prices for episodes of care which will include a standard three percent discount. In BPCI Advanced, preliminary target prices are calculated and distributed to Participants prior to the first Performance Period of each Model Year. The target prices will be trended forwarded and rebased after three years. The target prices will also be risk adjusted, however the specific methodology in calculating risk adjustment has not yet been released by CMS. Additionally, a risk cap will be applied to Clinical Episodes at the 1st and 99th percentile of spending in both the performance period and the baseline period, and episodes are subject to a 20 percent stop-loss provision at the Episode Initiator level.

Payment is also tied to Participants' performance on certain quality measures. Specifically, in the first two model years Participants will be responsible for seven claims-based quality measures, as applicable (see Table B1 on page 40 of the Request for Application ([RFA](#)) for a list of measures). In future model years, Participants may be responsible for additional claims-based quality measures or may have to report on additional non-claims-based quality measures. Participants will be responsible for total Medicare fee-for-service spending on all items and services furnished during the episode, but for certain excluded costs. However, BPCI Advanced includes fewer exclusions than the original BPCI. Additionally, hospice costs are included for BPCI Advanced which aligns with one of the quality measures included related to advance care planning.

BPCI Advanced episodes will begin either at the start of an inpatient admission to an Acute Care Hospital (the Anchor Stay) identified by Medicare Severity Diagnosis Related Groups (MS-DRGs), or at the start of an outpatient procedure (the Anchor Procedure) identified by Healthcare Common Procedure Coding System (HCPCS) codes. BPCI Advanced episodes will end 90 days after the end of the Anchor Stay or Anchor Procedure. Semi-annually CMS will compare aggregate Medicare FFS expenditures for all items and services included in the episode against the target price for the episode to determine whether the Participant is eligible to receive a payment from CMS or must make a repayment to CMS. Lastly, CMS notes it intends to offer to BPCI Advanced Participants conditional waivers of certain Medicare payment rules related to the 3-Day Skilled Nursing Facility (SNF) Rule, Telehealth, and post-discharge home visits services, as was the case in BPCI.

Convener vs. Non-Convener Participants

Acute Care Hospitals and Physician Group Practices may participate as Non-Convener Participants while the following are listed as eligible to participate as Convener Participants:

- Eligible entities that are Medicare-enrolled providers or suppliers
- Eligible entities that are not enrolled in Medicare
- Acute Care Hospitals
- Physician Group Practices

Based on conversations with CMS staff, ACOs will be permitted to participate as a Convener. NAACOS is working with the agency to provide clarification in writing on this issue and others and this document will be updated as more information is provided. CMS states that a Convener Participant is a Participant that brings together multiple downstream entities, referred to as “Episode Initiators” (EIs) and facilitates coordination among such Episode Initiators and bears financial risk under the model. A Non-Convener Participant is a Participant that is in itself an Episode Initiator and does not bear risk on behalf of multiple downstream Episode Initiators.

Attribution

According to the CMS website, in BPCI Advanced, Clinical Episodes will be attributed at the EI level. The hierarchy for attribution of a Clinical Episode among different types of EIs is as follows, in descending order of precedence:

- (1) The Physician Group Practice that submits a claim that includes the National Provider Identifier (NPI) for the attending physician;
 - (2) The Physician Group Practice that submits a claim that includes the NPI of the operating physician; and
 - (3) The Acute Care Hospital where the services that triggered the Clinical Episode were furnished.
- BPCI Advanced will not use time-based precedence rules.

Additionally, CMS notes that Clinical Episodes triggered under the Comprehensive Care for Joint Replacement (CJR) model will take precedence over Clinical Episodes in BPCI Advanced.

Timelines for Participation and Application Details

The first cohort is expected to begin on October 1, 2018 and will participate through December 31, 2023. Participants will not be permitted to drop selected episodes until January 1, 2020, therefore careful selection of episodes will be critical. The Innovation Center also expects to make a second round of participation available starting in January of 2020 through December 31, 2025.

The [RFA](#) for BPCI Advanced was released on January 9, 2018 and outlines the different elements of the Model in detail and explains how the applications will be reviewed. Additional supplemental application materials are available on the Innovation Center [website](#). Application and required documents must be submitted via the BPCI Advanced Application [Portal](#) no later than March 12, 2018 at 11:59 pm ET. Additional Frequently Asked Questions (FAQs) on BPCI Advanced are available [here](#).

CMS will provide applicants the opportunity to request certain summary beneficiary claims data and line-level beneficiary claims data. To receive the data, applicants will have to complete a Data Request and Attestation (DRA) form during the application process specifying the requested data elements, as well as the time period for which such data are requested. The DRA template form and further instructions can be downloaded from the CMS Innovation Center [website](#).

BPCI Advanced APM Status

CMS states that the agency anticipates that BPCI Advanced will meet the criteria as an Advanced APM as of the first day of the model, which is scheduled for October 1, 2018. However, CMS notes that eligible clinicians’ participation in the BPCI Advanced will not be tracked for purposes of the QP determination and the five percent APM Incentive Payment, until the Performance Period beginning on January 1, 2019. CMS anticipates the first “snapshot” date for QP determination for eligible clinicians following the start of BPCI Advanced will be March 31, 2019.

ACO Perspectives

Is your ACO considering dual participation? We would love to hear from you! Please contact us at advocacy@naacos.com