



# Effects of Comprehensive Care for Joint Replacement Model on Hospitals Serving Low Socioeconomic Status Patients

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## Background

Medicare's Comprehensive Care for Joint Replacement (CJR) model holds hospitals accountable for the spending and quality of care for hip and knee joint replacement patients during hospitalization and a 90-day post-discharge period.

Rather than directly adjusting for patient composition, CMS set separate prices for LEJR surgeries with major complications or comorbidities, and surgeries with both.

Target prices were set based on a mixture of the hospital's historic price and historic price of the region. The mixture shifted toward regional prices in years three through five of the program.

## Acronyms

CJR — Comprehensive Care for Joint Replacement

LEJR — Lower Extremity Joint Replacement

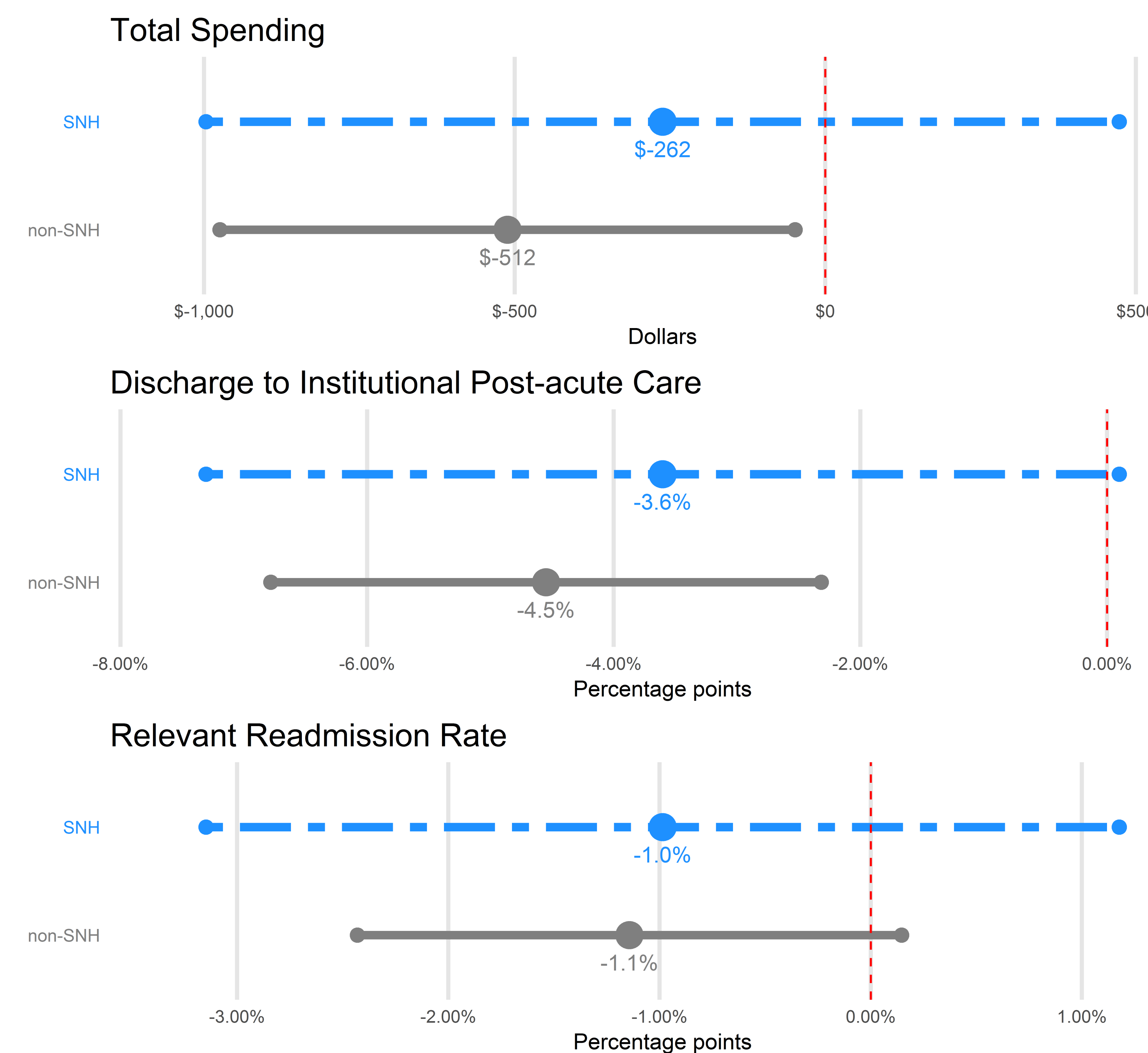
SNH — Safety-Net Hospital

MCC — Major Complications or Comorbidities

DRG — Diagnostic Related Grouping

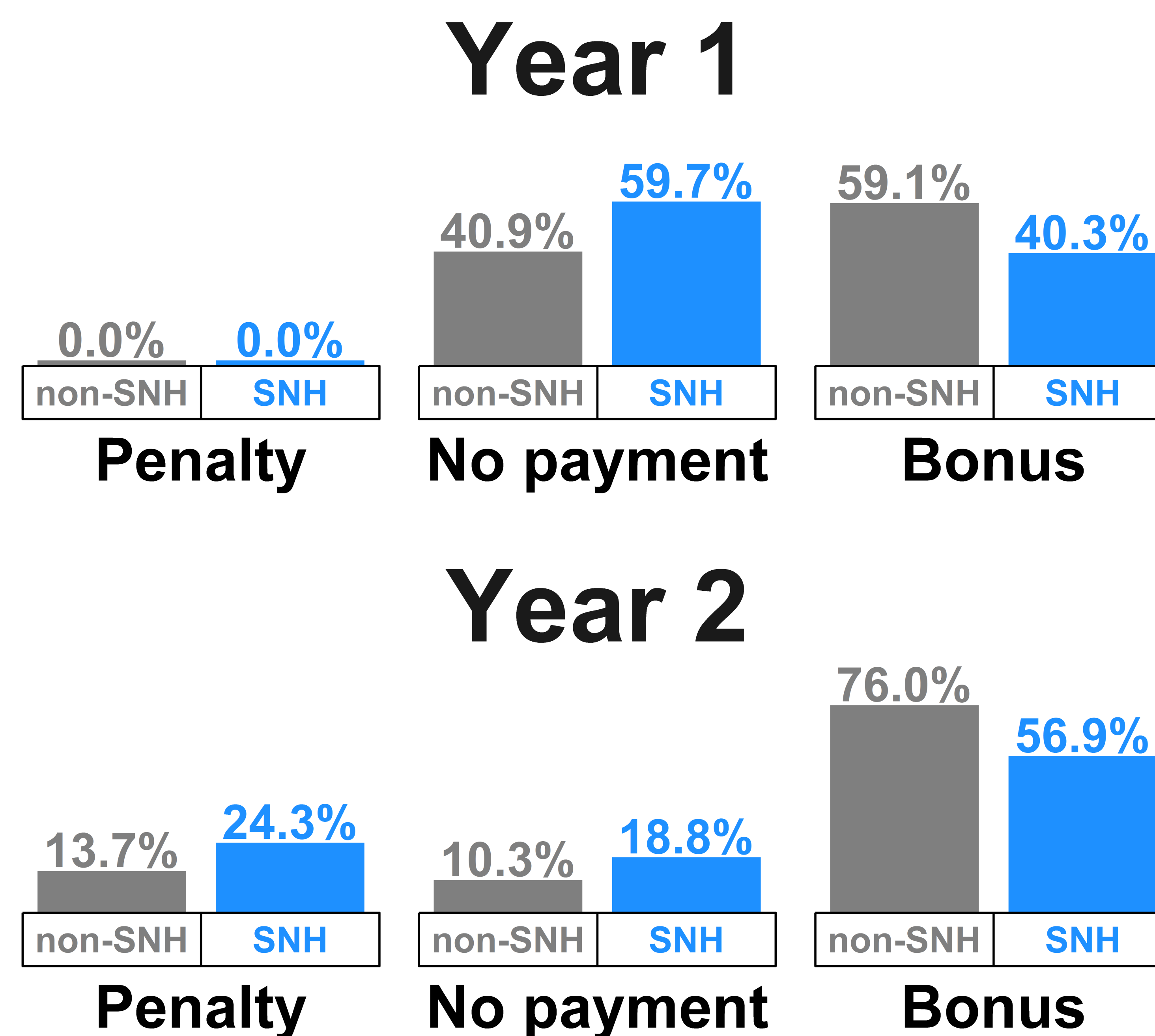
## Inadequate risk adjustment for CJR worked against safety-net hospitals that serve vulnerable populations.

### Effect of CJR on primary outcomes



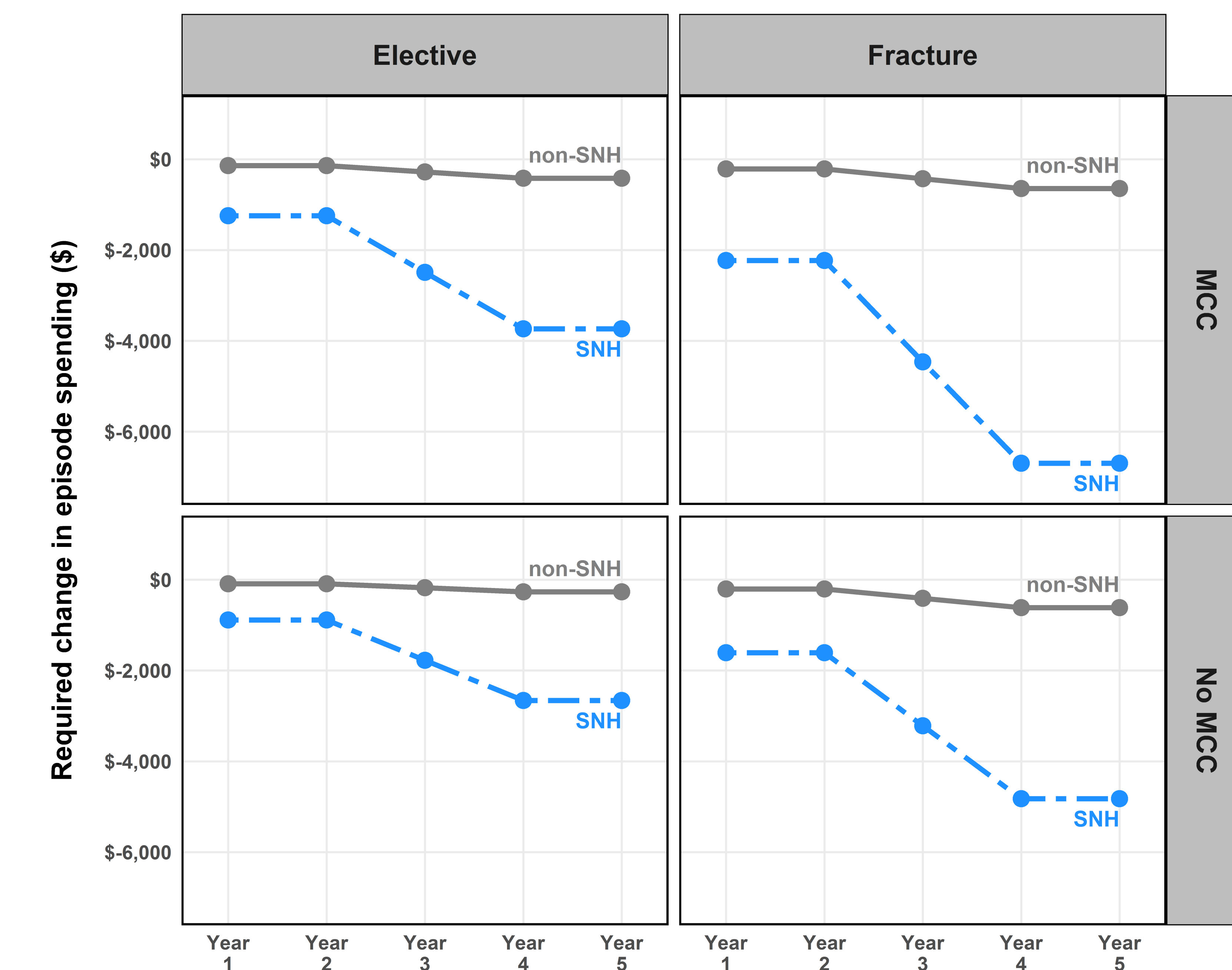
Safety-net hospitals improved similarly to non-safety net hospitals in the first two years of the CJR program

### Rates of receiving CJR bonuses or penalties



Safety-net hospitals were less likely to receive payments in the first two years of the program, and more likely to receive penalties in year two

### Per-episode savings required to receive bonus payments



Safety-net hospitals had to reduce spending by much more than non-safety-net hospitals to receive a bonus payment and avoid a penalty

## Policy Implications

Safety-net hospitals have historically higher spending due to the socially and medically complex patients they serve.

The current method for risk adjustment makes it difficult for these critical hospitals to succeed.

Penalizing already financially fragile hospitals may restrict their ability to provide a full set of high quality care to vulnerable populations.

CMS changed the Hospital Readmission Program to set target prices within tiers of hospitals grouped by percent of dual-eligible patients. This may be a viable strategy for CJR.

Scan the code with your phone for methods and more information:



<http://bit.ly/cjr-snh>