

MEDICARE BUNDLED PAYMENT SUCCESS: BAPTIST HEALTH SYSTEM

JAMA Internal Medicine (Jan. 2017)

Bundled payments – single, fixed payments for services by 2+ providers during an episode of care – incentivize providers for care quality, efficiency and coordination improvements.

BUNDLING PROGRESS

MEDICARE



Acute Care Episode (ACE), 2009-12:
Focus on orthopedic, cardiac procedures.



Bundled Payment for Care Improvement (BPCI), 2013- : Focus on joint replacements; acute and post-acute care (PAC) providers.



Comprehensive Care for Joint Replacement (CJR), 2016- : Mandatory initiative based on BPCI Model 2; -800 hospitals in bundles for hospital, physician, PAC services.

COMMERCIAL PAYER

Nation's largest private payer, United Health Group, expanding bundling initiatives that **saved \$10k+** per orthopedic procedure.

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JAMA/PENN MEDICINE PEER-REVIEW¹: BAPTIST HEALTH SYSTEM² BUNDLING OUTCOMES

(JULY 2008 - JUNE 2015)

Industry-first study combining internal hospital cost + PAC claims data to identify drivers of acute and post-acute joint replacement bundle savings.

Outlines how Medicare bundling participant:



RESULTS:



Prolonged length of stay dropped 67%
while patient severity remained unchanged



BHS savings: \$11 million+

ACUTE Implantable device price decrease: **29%**

PAC Spending decrease during BPCI: **54%**
• Driven by 54% inpatient rehab / 24% skilled nursing facility declines

1. Amol Navathe, MD, PhD; Andrea Troxel, ScD; Joshua Liao, MD; Nan Nan, MS; Jingsan Zhu, MS; Wenjun Zhong, PhD; Ezekiel J. Emanuel, MD, PhD; JAMA Intern Med. Published online January 3, 2017. doi:10.1001/jamainternmed.2016.8263

2. Baptist Health System: Clinically integrated network of 5 hospitals, 40+ orthopedic surgeons & multiple PAC providers across San Antonio.

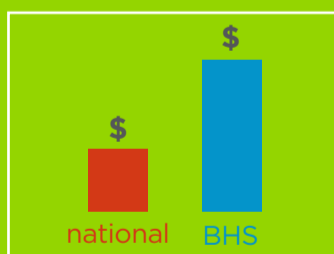
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CONCLUSIONS



Cost savings didn't come at the peril of quality or patient selection.



Improvements were sustained across multiple programs over 6 years, mitigating the chance of other factors driving results.



PAC savings were achieved once post-acute providers had "skin in the game" during BPCI, suggesting physicians/hospitals likely to redesign care when financially incentivized.

RELEVANCE

Healthcare lacks an evidence-based blueprint for joint replacement bundled payment care design.

New Penn Medicine peer-reviewed research provides an unprecedented look into where joint replacement bundling savings come from and what future bundling participants could set as aspirational targets.

These strategies – developed in partnership with Navigant – can be implemented immediately with or without bundling experience to guide Medicare, commercial payer and provider bundling savings.

This study offers guidance for providers, payers and a new administration considering decisions that will impact the health of patients and communities nationwide.

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