

MODEL OVERVIEW



BPCI Advanced Goal

Reduce Medicare spending while maintaining or improving quality of care by holding participants financially accountable for the cost and quality of health care services during an episode



Episodes begin with a medical or surgical hospital stay or an outpatient procedure initiated by a participating hospital or physician group practice (PGP) and end 90 days after the patient leaves the hospital.

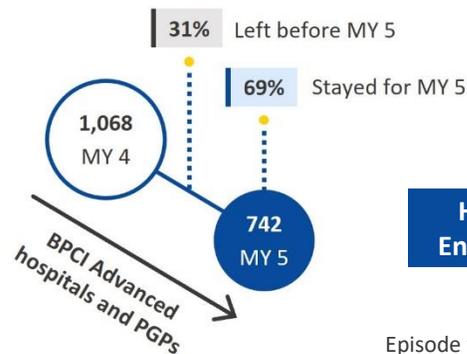
Model participants can earn a reconciliation payment if episode payments are below their target price, or they may be required to repay Medicare if episode payments are above their target price, after considering the quality of their care. This payment approach encourages participants to reduce unnecessary services and coordinate care across all providers involved in the episode.

PARTICIPANTS



The number of hospitals and PGPs participating in BPCI Advanced declined by about a third from Model Year (MY) 4 (2021) to MY 5 (2022).

- On average, the hospitals and PGPs that participated in MY 4 and stayed for MY 5 earned reconciliation payments from CMS in MY 4, while those that left owed repayments to CMS.
- The 69% that stayed for MY 5 were more engaged in terms of higher episode volume and accountability for more clinical episode service line groups (CESLGs) on average than those that left.



Hospital and PGP Engagement in MY 4

	Leavers	Stayers
Episode volume*	225	391
CESLGs selected*	2	3
Per-episode reconciliation	-\$358	\$539

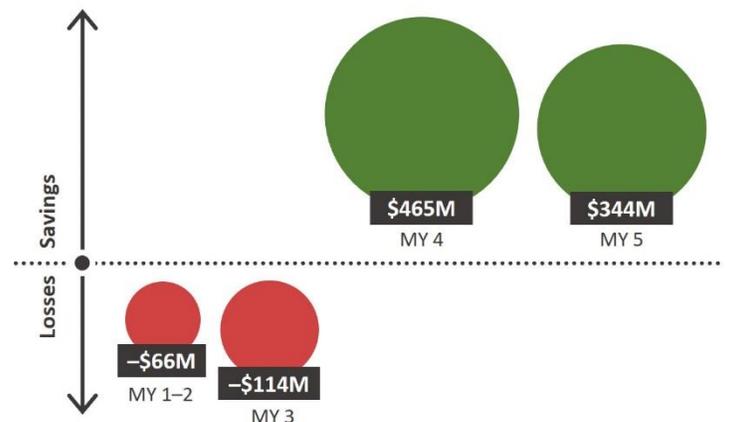
* Per hospital/PGP

IMPACTS: EXPENDITURES



BPCI Advanced achieved savings to Medicare in MY 4 and 5, offsetting losses in MY 1 through 3 (Quarter 4 2018–2020).

- Savings in MY 5 totaled \$344 million, or 4% of what estimated Medicare payments would have been had the model not existed. Savings were smaller in MY 5 than in MY 4, as participation declined and episode volume decreased.
- BPCI Advanced resulted in losses in MY 1–2 and MY 3, which necessitated that CMS make changes to the target pricing approach starting in MY 4.



IMPACTS: PAYMENTS, QUALITY, AND UTILIZATION



BPCI Advanced lowered payments while it maintained quality-related health outcomes, but there is room for improvement in patient-reported experiences.

- BPCI Advanced lowered per-episode payments in MY 5 by \$1,014, or 4%, and did not affect readmission or mortality rates.
- On the patient survey, functional status results were similar for BPCI Advanced and comparison patients, but some BPCI Advanced patients did not rate their care experiences and satisfaction as highly as those in the comparison group.
- The model has reduced discharges to post-acute care facilities, and whether providers set clear expectations or consider patient preferences in discharge destination may affect patient care experiences.

Average Episode Payments



Quality and Care Experience



Post-Acute Care Facility Use



REACH OF VALUE-BASED CARE



The model continued to reach patients and providers not yet engaged in value-based care.

- Similar to MY 4, BPCI Advanced reached patients who were not yet in a Medicare Accountable Care Organization (ACO).
- Patients in BPCI Advanced only were more likely to be clinically complex or dually eligible for Medicare and Medicaid than those in BPCI Advanced and an ACO.



Differences in ACO and Non-ACO BPCI Advanced Patients

Share of patients in **only BPCI Advanced** who are dually eligible

24%

Share of patients in **BPCI Advanced and a Medicare ACO** who are dually eligible

14%

PRIMARY CARE CONNECTIONS



An additional benefit of BPCI Advanced is increased linkages to primary care providers for medical episodes.

- Although the model does not directly incentivize primary care use, in MY 5, BPCI Advanced increased the share of medical episodes with a primary care visit within 7 and 90 days after discharge.
- The model decreased the share of surgical episodes with a primary care visit within 90 days after discharge. Participants reported that some surgeons prefer handling patient follow-up after surgery when accountable for the episode of care.
- BPCI Advanced increased the share of medical episodes with a primary care visit in the 90 days after discharge for the few patients (6%) without a primary care visit in the 2 years before their episode.



Impact of BPCI Advanced on Primary Care Visits

