Baystate Health

Baystate Medical Center's Bundle Payment Experience

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The Leadership Institute

Baystate Health Is Committed to the Development of an Integrated Regional System of Care for All Residents of Western Massachusetts

Integrated Delivery System

- **Baystate Medical Center – Tertiary Center**
- **Baystate Wing, Baystate Franklin, Baystate Noble Community Hospitals**
- **Baystate Mary Lane Outpatient Center**
- **Baystate VNA & Hospice**
- **Baystate Medical Practices** (700 MDs and advanced Practioners)
- **Baycare Health Partners** (1,200 MDs in our PHO)

Integrated Health Plan

- **Over 200,000 Members**
- **Only Provider Sponsored Health Plan offering Commercial, Medicare Advantage and Medicaid Managed Care Choices**
- **Medical Home for all lines of business, including MassHealth**

Focused on Quality

- **Nationally Recognized for Quality Care:**
  - Leapfrog Top Hospital
  - Truven Top 100
  - Top 100 Integrated Systems
  - Magnet Designation
  - NCQA Level 3 PCMH
- **Health New England:**
  - Top 10 health plan in country
  - #1 customer service in the country

Focused on Academics

- **Regional Campus of UMASS Medical School**
- **320 Residents**
- **Educated 1/3 of PCPs in Region**
- **Pioneer Valley Life Science Institute**
- **Center or Quality of Care Research**
- **TechSpring – IT Innovation Center**

Partner to the Community

- **Volunteer Community Board**
- **$40M Hospital Community Benefit**
- **Partners for a Healthier Community Public / Private Partnership**
- **Baystate – Springfield Educational Partnership**
- **$2.68 Economic Impact**

"To Improve the Health of the People in Our Communities Every Day, with Quality and Compassion"

Objectives

- Share BH's experience with bundled payment programs
- Discuss clinical care re-design opportunities when implementing a bundle
- Share successful strategies to engage physician and clinical leaders in bundle initiatives
- Highlight new approaches and strategies for bundled payments including post acute care

VALUE-BASED CARE AND PAYMENT MODELS

DEVELOPMENT OF A COMMON UNDERSTANDING OF THE PRINCIPLES

Fee-for-service

- Paid for each service they give through a percent-of-charges or a fee schedule.

Pay for performance

- An adjustment to payment for high quality of care, and occasionally downward adjustments for lower quality care.

Case rate

- Combines all of the hospital services related to a single admission.

Bundled Payments

- Combines payments for an episode of care, usually a specific DRG, and extended to include time prior to admission and post discharge.

Shared Savings

- Provider reimbursed using FFS, measured against a benchmark, and paid a percentage of the savings
- Usually includes a quality target threshold.

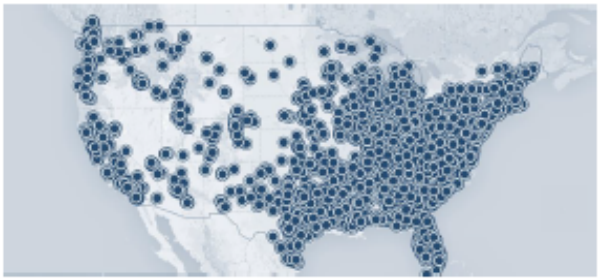
Global capitation

- Paid a capitation (or fixed) rate for each member they agree to services

Source: Society of Actuaries. "Provider Payment Arrangements, Provider Risk, and Their Relationship with the Cost of Health Care." 2015. Access via web here.

BUNDLED PAYMENT GROWING ACROSS THE COUNTRY

Over 7,000 organizations exploring CMS' BPCI



National Market

- ✓ CMS Oncology Bundle
- ✓ IPPS Proposed Rule-CMS Oncology Bundle
- ✓ IPPS Proposed Rule-Expanding BPCI
- ✓ Mandatory CCJR Bundle
- ✓ Diane Black- Permanent Voluntary BP Program
- ✓ *Expanding BP*

Private Market

Commercial payers adopting BP arrangements

Employers are entering BP arrangements directly with providers

State Market

<u>Medicaid Bundles</u>
Arkansas
Tennessee
Ohio

BH Current Bundle Initiatives

Center for Medicaid & Medicare Innovation (CMMI) **BPCI: Model 2**

- Total Hip & Knee Replacement (DRGs 469, 470)
- CABG (DRGs 231-236)
- Colorectal – Active July 2015 (DRGs 329, 330 & 331)
- **Other Model**:
  - Oncology Care Model – (withdrawing, June 2017)

Commercial Health New England, PSHP

- Obstetrics (Implementing phase)
- Bariatric Surgery – (2013 Complete)

Next Generation ACO Shadow Bundles

- Built within the ACO

Bundle Model Transformation

Care Model	**Care Teams use standard processes for quality, cost and compassionate care**
Payment Model	**Single Payment for episode of care including doctors, hospitals, post-acute care**
Operating Model	**Leadership, Clinicians, Quality Improvement, Financial Analysts, Care Management**

Baystate Medical Center's Replicable Bundle Model

1. **Convene the right team**
2. **Define the episode**
3. **Develop measures** (quality & financial)
4. **Develop model of care**
5. **Price the bundle**
6. **Develop cost reduction opportunities**
7. **Plan the gain-sharing**
8. **Develop a continuous process improvement plan**

Clinical Care Re-Design

1. **Reduce practice variation:**
   - Evidence based guidelines
   - Standard pathways
   - Interdisciplinary care rounds
2. **Enhanced care navigation:**
   - Care coordinator roles
3. **Post-acute care management:**
   - Narrow network, partnerships

Interdisciplinary Rounds
Interdisciplinary Plan of Care (IPOC)

Vascular Surgery Rounds 7:30am •
(Attending, Midlevel, Charge Nurse, Nurse, Case Manager)

Cardiac Surgery Rounds 9:00am •
(Dr. Engelman, Midlevel, Coordinator, Charge Nurse, Nurse, Case Manager, Cardiac Rehab)

Medical Hospitalist Rounds 12:00p •
(Hospitalist, Charge Nurse, Nurse, Case Manager)

Hospital Clinical Pathway

Davis Family Heart & Vascular Center **Surgeon:** _____

CABG Clinical Pathway

Admit Date: _____ **Cath Lab Date:** _____ **OR Date:** _____ **Potential DC Date:** _____

	Pre-Op	Day 0	Post Op Day 1	Post Op Day 2	Post Op Day 3-4	Post op Day 5 -6
Consults	• HV Preadmission Consult • Anesthesia Consult (Inpatient) • Case Management	• Endocrine for diagnosed DM patients or patients unable to maintain parameters on insulin protocol • Case management	• Cardiac Rehab • Case Management • Nutrition Services			
Activity	• Baseline activity • Encourage walking	Admit to HVCC	• OOB to chair • Transfer to M6 • Ambulate with assistance	• OOB to chair for all meals • Ambulate at least 3 times per day	• OOB to chair for all meals • Ambulate at least 4 times per day	
Diet	• Nothing to eat or drink after midnight the night before surgery • Sip of water with Beta Blocker in the morning.	NPO	• Clear liquids and advance as tolerated	• Cardiac Diet or Diabetic Cardiac Diet		
Treatment	• Hibiclens Wash • Fleet Enema • Muprocin Swabs • Mouth Wash • Clip and Prep	• Extubation target <6 hrs • Normothermic upon arrival to HVCC • Pulmonary Care • Glycemic Management Protocol initiated Maintain • Foley • Central line • Arterial line • NGT • Chest tubes/drains • Pacing Wires • Incision care	• Pulmonary Care • Continue with Glycemic Management Protocol Discontinue • Foley • Central line • Arterial line • NGT • Chest tubes drains	• Discontinue pacing wires		Discharge to home
Medications	• Only Beta Blocker morning of • IV Antibiotic	• Antibiotic timing meets SCIP measures • Insulin				

Home Care Pathway

Baystate Heart & Vascular Program

CABG Clinical Pathway – Home Care

CABG Coordinator: Name of Coordinator & Phone Number Here

Surgeon: _____ **Cardiac Surgery Office Number:** 413-794-5550 **Surgical Date:** _____

Anticipated DC Date: _____ **Recommended Nursing Visits:** 4-6

	Home Care Admit Day	Home Care Admit Day + 1	Home Care Admit Day +2	Home Care Admit Day +3 -6	Home Care Admit Day +7-10 or D/C Day
Assessments	• Admission Physical Assessment • Assessment to document baseline • Incision/Wound Assessment • Assess for Sternal Drainage – Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	Warning Signs Assessment: • Temperature >101 • New or increasing Shortness of Breath • Abnormal pain Increased redness, tenderness or swelling at incision sites • New or increasing drainage from incision sites • Assess for Sternal Drainage – Notify Cardiac Surgical office for evaluation • Change in pulse (resting HR > 120 bpm or < 50 bpm) • O_2 Sat <92% • Palpitations &/or Irregular pulse; new onset Afib • Weight gain of more than 2-3 pounds in 1 day or 5 pds in 1 week • Medication Side effects (Refer to last page of pathway)	• VS every visit • Warning Sign Assessment • Incision/Wound Assessment • Assess for Sternal Drainage– Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	• Vital signs every visit • Warning Sign Assessment • Incision/Wound Assessment • Assess for Sternal Drainage – Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	**Goals:** Incisions clean & Dry No Sternal Drainage Lung sounds @ baseline (clear/diminished) Trace Edema Pulse @ baseline (50-100) Weight within 3 #of Baseline
Activity	☐ PT/OT Consult if Indicated ☐ Assess Functional	• Do not lift greater than 10 pounds for 12 weeks	☐ May take Shower with assistance as necessary	☐ May take Shower with assistance as necessary	**GOALS:** ☐ Independent w/ transfers

***If Cardiac Surgery Office is informed of patient change in condition, notify CABG coordinator within 1 business day.

Post-Acute Care Pathway

CABG Clinical Pathway – Sub Acute

CABG Coordinator: *Name of Coordinator & Phone Number Here*

Surgeon: _____ **Cardiac Surgery Office Number:** 413-794-5550 **Surgical Date:** _____

Potential Sub-Acute DC Date: _____

	Sub Acute Admit Day 0	Sub Acute Admit Day 1	Sub Acute Admit Day 2	Sub-Acute Admit Day 3 -6	Sub Acute Admit Day 7-10	Sub Acute Admit Day 10-- __or DC Day
Assessments	• Admission Physical Assessment • Assessment to document baseline • VS every shift for 72 hrs • Incision/Wound Assessment • Assess for Sternal Drainage– Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment • Medication Reconciliation	Warning Signs Assessment: • Temperature >101 • New or increasing Shortness of Breath • Abnormal pain Increased redness, tenderness or swelling at incision sites • New or increasing drainage from incision sites • Sternal Drainage • Change in pulse (resting HR > 120 bpm or < 50 bpm) • O_2 Sat <92% • Palpitations &/or Irregular pulse; new onset Afib • Weight gain of more than 2-3 pounds in 1 day or 5 pds in 1 week • Medication Side effects (Refer to last page of pathway)	• VS every shift for 72 hrs • Warning Sign Assessment • Incision/Wound Assessment • Assess for Sternal Drainage– Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	• Vital signs daily and PRN • Warning Sign Assessment • Incision/Wound Assessment • Assess for Sternal Drainage– Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	• Vital signs daily and PRN • Warning Sign Assessment • Incision/Wound Assessment • Assess for Sternal Drainage– Notify Cardiac Surgical office for evaluation • Dressing change as ordered • Pulmonary Assessment • CV & Edema assessment • Weight assessment • Daily Temperature • GI/GU Assessment • Neuro Assessment	**Goals:** Incisions clean & Dry No Sternal Drainage Lung sounds @ baseline (clear/diminished) Trace Edema Pulse @ baseline (50-100) Weight within 3 #of Baseline
Activity	• PT/OT Consult • Assessing Mobility/ Balance • Set goal discharge date	• Do not lift greater than 10 pounds for 12 weeks • OOB to chair for all meals • Ambulate at least 4 times per	• May take Shower with assistance as necessary • No tub baths • OOB to chair for all meals	• May take Shower with assistance as necessary • No Tub Baths	• May take Shower with assistance as necessary • No Tub Baths	**GOAL:** ☐ Able to walk house hold distances ☐ Able to walk

***If physician/provider is informed of patient change in condition, notify CABG coordinator within 1 business day.

Patient Compacts and Education

Baystate Heart & Vascular Program

Understanding & Preparing for Heart Surgery

Baystate Medical Center's Heart and Vascular Program staff are committed to providing you with an excellent, comfortable, and safe experience. We hope you will find the following information useful as you prepare for your heart surgery.

How the Heart Works

The heart is a muscle about the size of your clenched fist, located in the center of your rib cage between your lungs. Its job is to pump blood—the vital fluid of life—to every part of your body. Blood contains oxygen from the air you breathe and nutrients from the food you eat. These nutrients and oxygen are essential for your body to live and work properly.

When blood returns to the heart from other parts of your body, it is low in oxygen, and full of carbon dioxide and waste products that must be removed and breathed out. The veins bring this blood into the right side of the heart, which then pumps it into the lungs to pick up new oxygen and get rid of the waste products from the blood. The left side of the heart receives this fresh blood and pumps it through the aorta (the main artery) out to the rest of your body. Your heart also needs oxygen and nutrients from the blood to keep doing its job. It gets this blood through a

The heart contains valves that work much like one-way doors. They allow blood to move in one direction from one heart chamber to the next. There are four valves in your heart that move blood forward between other heart structures:

- **Mitral valve:** between the left atrium and left ventricle.

Baystate Health

Bundled Payments for Care Improvement Model 2 Notification Letter
This Hospital is participating in a New Care Improvement Initiative from Medicare

Baystate Medical Center is participating in a Medicare initiative called Bundled Payments for Care Improvement initiative Model 2 ("Bundled Payments Model 2"). This participation means that Baystate Medical Center voluntarily agreed or is working with one or more other organizations who voluntarily agreed to a new payment arrangement with the goal of providing you with high quality, efficient, more coordinated care. This should not affect your access to care. Baystate Medical Center's participation does not restrict your freedom to choose your health care providers or your access to care for your medical condition.

Bundled Payments Model 2 aims to help give you better care

Medicare is using the Bundled Payments Model 2 initiative to encourage your doctors, hospitals, and other health care providers to work more closely together, so you get better care during and following your hospital stay.

Baystate Medical Center is working closely with the doctors and other health care providers who will care for you during and following your hospital stay and extending through the recovery period. By working together, your health care providers are planning more efficient, high quality care as you undergo treatment. The changes in care you get are expected to lower the cost of care to Medicare, but your costs won't go up due to these changes in care. Baystate Medical Center may be rewarded for providing you with high quality, more coordinated care. Medicare will monitor your care to make sure you and others get high quality care.

It's your choice which hospital, doctor, or other providers you use

You have the right to choose which hospital, doctor, or other post-hospital stay health care provider you use.

- To find a different doctor, visit Medicare's Physician Compare website, http://www.medicare.gov/physiciancompare, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- To find a different hospital, visit http://www.hospitalcompare.hhs.gov/ or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- To find a different skilled nursing facility, visit Medicare's Nursing Home Compare website, http://www.medicare.gov/nursinghomecompare, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- To find a different home health agency, visit Medicare's Home Health Agency Compare website, http://www.medicare.gov/homehealthcompare, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Physician and Stakeholder Engagement

- **Develop a DYAD model for leadership – Physician Champion and Clinical/Administrative Leader:**
  - Respected, good communicator, can drive/influence change, proven leadership and some project management skills
- **Emphasize quality and patient centered opportunities**
- **Include broad stakeholder membership, subject matter experts and front line staff across the continuum**
- **Involve stakeholders in decisions that impact them**

Stakeholder Alignment: Working with Physicians and Key Stakeholders

- **Key tool for alignment: DATA TRANSPARENCY**
  - Show the teams their own data (cost, LOS, quality)
- **Provide updates around healthcare payment reform** (building will/creating burning platform)
- **Show early successes and efforts**
- Consider **gain sharing/incentive** payments
  - BPCI Gain Sharing Waiver/Criteria

Transparency: Engaging Surgeons

CMMI CABG Bundle Update
Jan 2014-Jun 2015

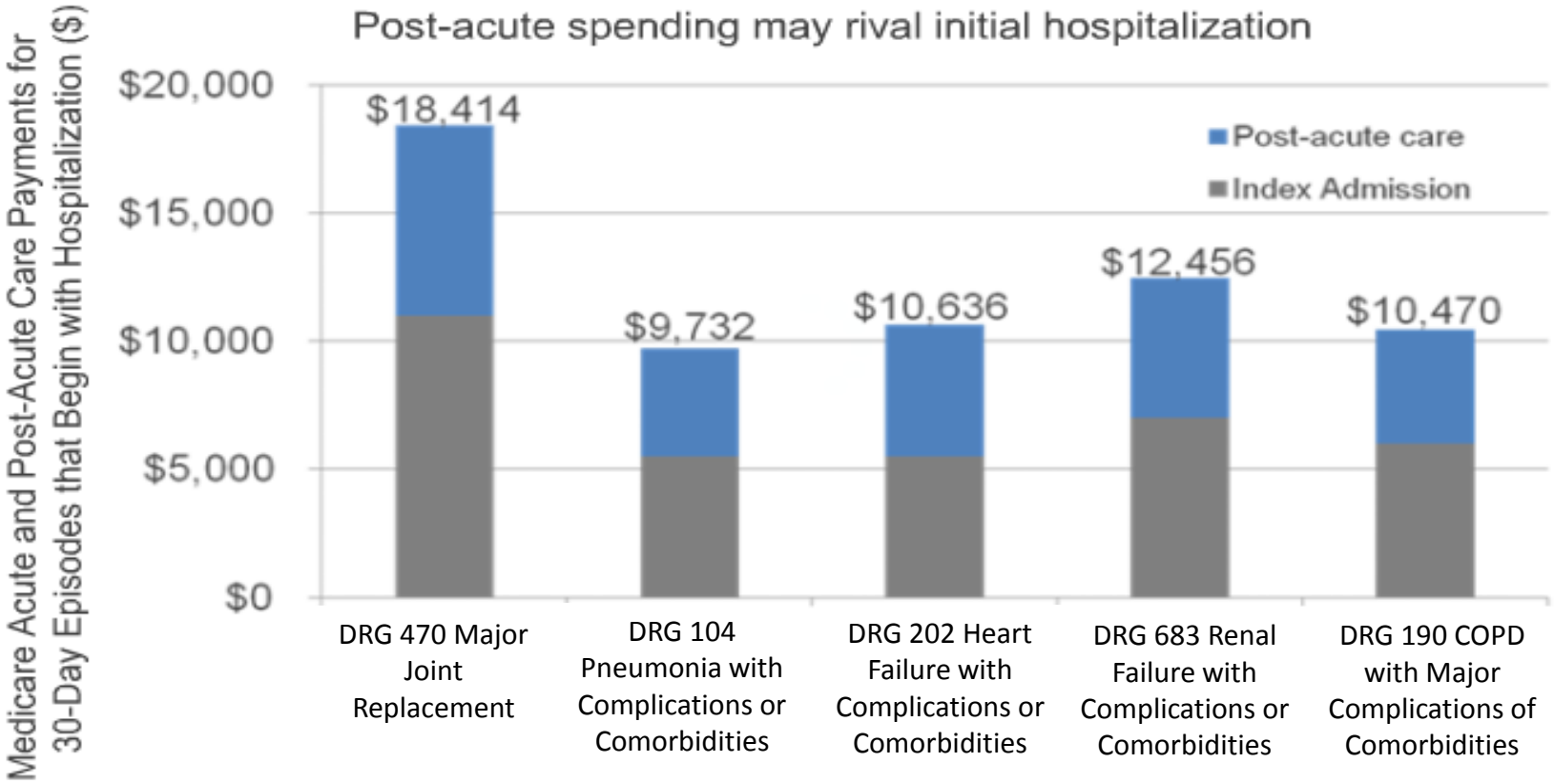
			D			F			R			S
All Bundle DRG's	**Baseline STS 2011**	**Bnchmk STS 2014**	**Jan-Jun 2014**	**Jul-Dec 2014**	**Jan-Jun 2015**	**Jan-Jun 2014**	**Jul-Dec 2014**	**Jan-Jun 2015**	**Jan-Jun 2014**	**Jul-Dec 2014**	**Jan-Jun 2015**	**Apr-Jun 2015**
Total Patients	230	71730	15	17	13	16	22	12	31	22	14	7
Elective	N/A	38.0%	28.6%	47.1%	23.1%	31.2%	20.0%	41.7%	43.8%	26.1%	42.9%	57.1%
Urgent	N/A	57.4%	71.4%	52.9%	46.2%	62.5%	80.0%	58.3%	56.2%	73.9%	50.0%	42.9%
Emergent	N/A	4.3%	0.0%	0.0%	7.7%	6.3%	0.0%	0.0%	0.0%	0.0%	7.1%	0.0%
Average Length of Stay	11.5	9.1	**11.6**	**10.5**	**10.4**	**9.4**	**11.5**	**7.9**	**10.0**	**11.3**	**8.5**	**10.4**
ALOS Post-Op	8.3	6.8	**9.2**	**8.3**	**7.5**	**7.5**	**8.8**	**6.4**	**8.3**	**9.0**	**7.1**	**8.9**
Post-Op LOS £ 6 days	65	48.4%	3	2	3	5	5	6	8	6	5	1
	28.3%		**20.0%**	**11.8%**	**23.1%**	**31.2%**	**22.7%**	**50.0%**	**25.8%**	**27.3%**	**35.7%**	**14.3%**
Post-Op LOS ³ 14 days	29	4.7%	2	1	0	0	2	0	4	4	1	1
	12.6%		**13.3%**	**5.9%**	**0.0%**	**0.0%**	**9.1%**	**0.0%**	**12.9%**	**18.2%**	**7.1%**	**14.3%**
Avg Admit to OR Days	N/A	N/A	4.1	4.8	4.4	3.8	4.3	3.0	3.8	3.6	3.0	4.3
Range			2-5	2-13	2-7	2-9	1-6	1-6	1-10	1-10	1-9	1-8
% Pts Transfusions	74.3%	44.8%	7	8	9	6	16	5	16	13	8	6
			46.7%	**47.1%**	**69.2%**	**37.5%**	**72.7%**	**41.7%**	**51.6%**	**59.1%**	**57.1%**	**85.7%**
% Pts RBC	73.0%	39.0%	6	7	8	6	16	0	13	12	7	5
			40.0%	**41.2%**	**61.5%**	**37.5%**	**72.7%**	**0.0%**	**41.9%**	**54.5%**	**50.0%**	**71.4%**
% Pts Platelets	27.0%	18.7%	6	1	2	1	1	0	8	5	4	3
			40.0%	**5.9%**	**15.4%**	**6.2%**	**4.5%**	**0.0%**	**25.8%**	**22.7%**	**28.6%**	**42.9%**
% Pts Plasma	13.0%	12.4%	6	0	1	1	1	0	2	4	0	2
			40.0%	**0.0%**	**7.7%**	**6.2%**	**4.5%**	**0.0%**	**6.5%**	**18.2%**	**0.0%**	**28.6%**
% Pts Cryoprecip	13.9%	4.5%	2	0	1	2	2	0	2	2	0	0
			13.3%	**0.0%**	**7.7%**	**12.5%**	**9.1%**	**0.0%**	**6.5%**	**9.1%**	**0.0%**	**0.0%**
Discharge to Home	59.1%	79.8%	8	10	5	11	9	5	19	11	8	3
			53.3%	**58.8%**	**38.5%**	**68.8%**	**40.9%**	**41.7%**	**61.3%**	**50.0%**	**57.1%**	**42.9%**
Avg Severity (1-4)	2.95	N/A	3.07	2.82	2.77	3.00	2.81	2.50	2.84	2.73	2.64	3.14

Sources: STS, CIS & McKesson Analytics

Better than Benchmark	**Better than Baseline**	**Opportunity**

- Dr K, on Post Acute Care Nursing homes avoiding weekend rehab therapy

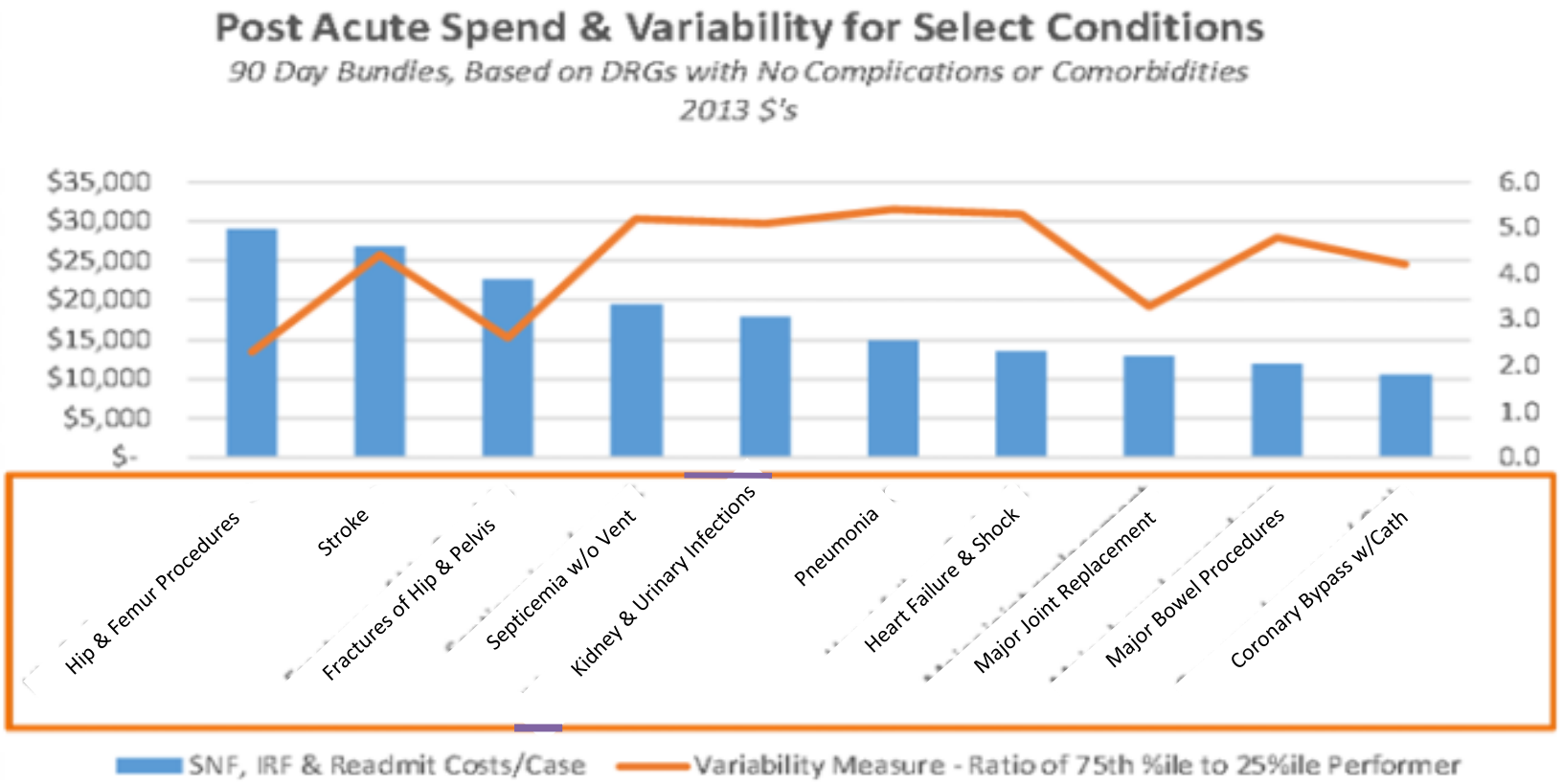
Acute and Post-Acute Payments for 30-Day Episodes



Mechanic R. Post-Acute Care: The Next Frontier for Controlling Medicare Spending. *N Engl J Med 370;8:692-694.*

Variation in Post-Acute Spending

Episode post-acute costs have large variation in spending



Source: MEDPAC

Baystate's Post-Acute Strategic Plan

- **Post-Acute System Alignment:**
  - Initiatives/resources
  - Integration with ACO
  - Preferred narrow network of post-acute partnerships
    - Quality and citizenship

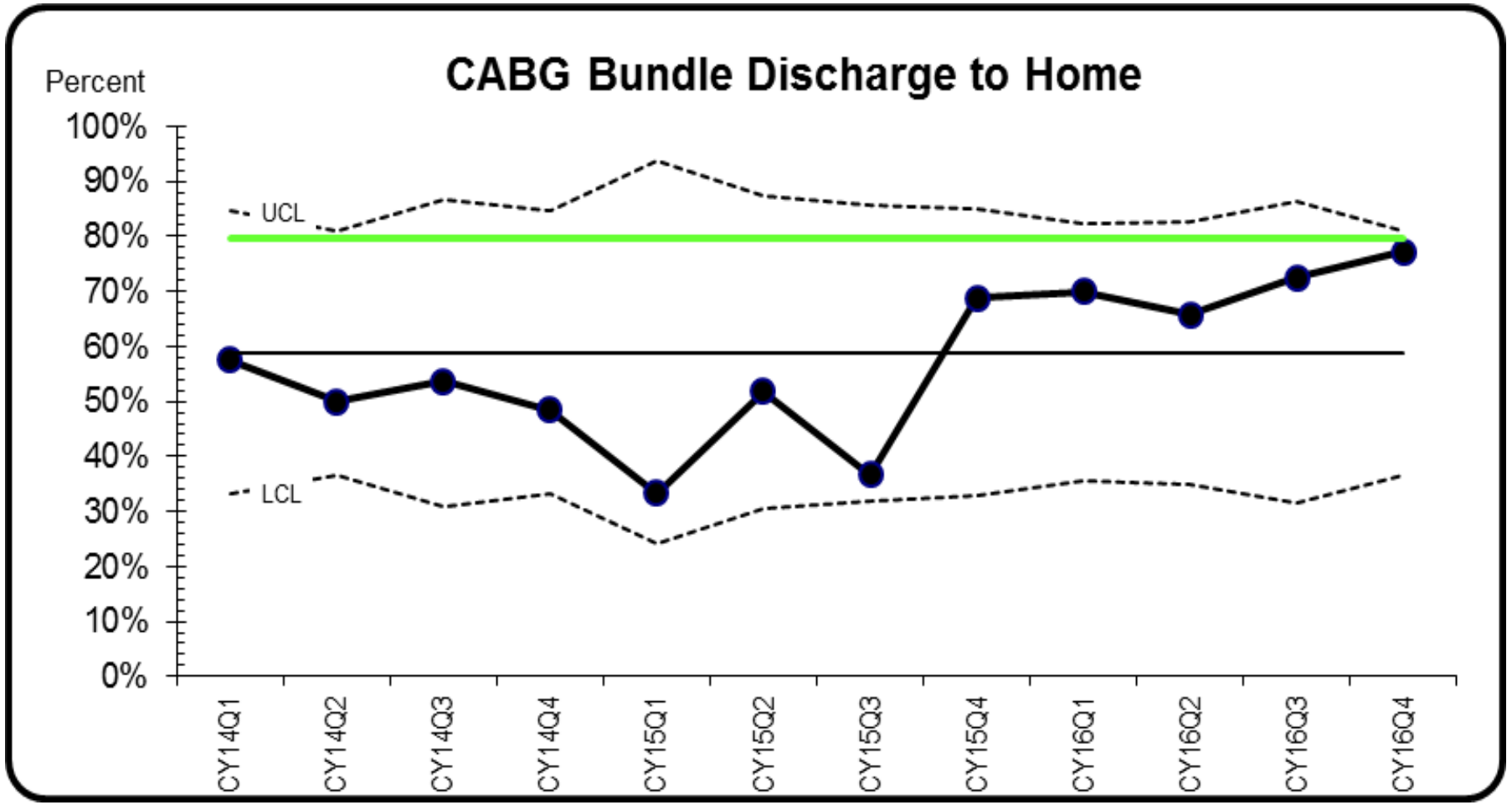
- **Transitions in Care:**
  - Readmission prevention
  - Seamless communication
  - Cross continuum teams
- **Care Model Innovation:**
  - Risk stratification/care navigation
  - Integrated care coordinators
  - Embedded providers

Post-Acute System Alignment

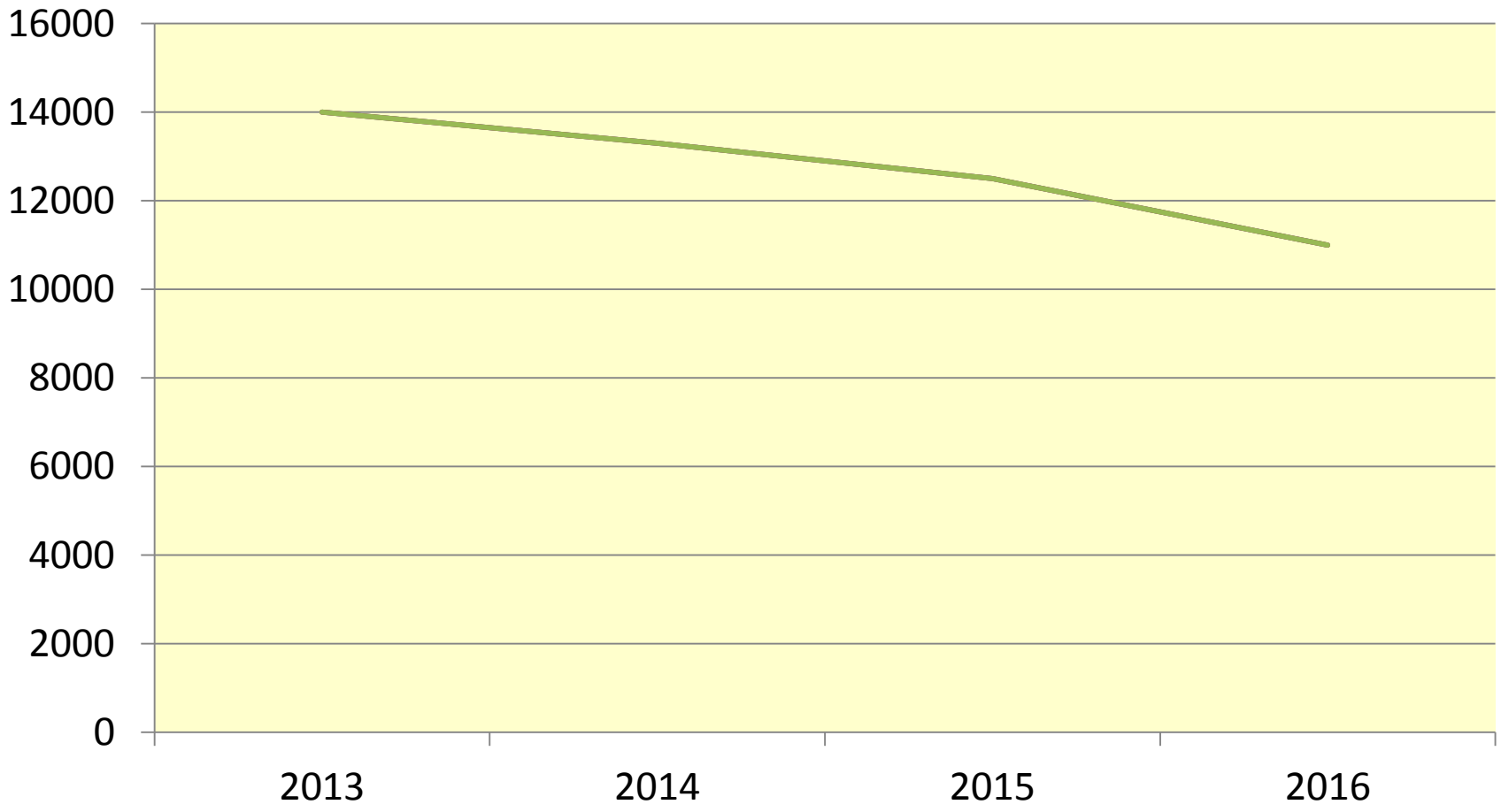
BH Strategic Post-Acute Care Committee

- **Creating the overarching strategy for Post-acute Care** (PAC) **for the BH hospitals**
- **Providing a single point of decision making around PAC relationships**
- **Assuring that the strategy is consistent with other BH approaches to PAC**

CABG Bundle Performance



TJR: Post Acute Care costs



Shadow Bundles

- Layered payment model within the ACO
- Same process and level of engagement
- Flexibility in funds flows
- Helps in managing TCOC

2013-14 Bundle Commercial Payer Total Joint

	BMC Baseline	Bundled Care Target	Post Implementation
% Patients readmitted within 30 days	**0.5**	**0**	**0**
% Patients discharged to home	**68.8**	**80**	**88**
% Patients with any hospital acquired complication (UTI, HAPU, DVT, Post-op sepsis, complication of anesthesia, SSI)	**0**	**0**	**0**
SCIP Measures (% ACS – all or none)	**97.5%**	**98.5**	**100**
Bundled Cost		**$24,600**	**$22,900**
Patient Experience HCAHPS* "Overall Rating"	**6.78**	**≥8**	**8.62**
Mortality	**0**	**0**	**0**

BPCI: Impact to BMC of Net Payment Reconciliation Amounts (NPRA)

DRG ($000)	Cases (1/1/14 – 9/30/14)	Savings
TJR	378	$1,052
CABG	104	276
Total Savings Achieved		1,328
2% discount (Medicare's share)		348
Total NPRA Savings (check to BMC)		**$ 980**
Estimate of amount owed for gainsharing		200
Net Payment to BMC		**$780**

The Oncology Care Model Design

Episode-based payment

Payment structure targets chemotherapy and the spectrum of care during a 6-month period following the start of chemotherapy

Emphasis on practice transformation

Physician practices are required to engage in practice transformation to improve the quality and coordination of care for cancer patients

Multi-payer design

Medicare fee-for-service and other payers work in tandem to promote care redesign for oncology patients across the population

Upside only

No downside risk is required, after the initial two-year there is an option to participate in two-sided risk

What Defines an Episode?

Types of Cancer

Includes all cancer types

Episode Initiation

Triggered by initial outpatient chemotherapy treatment using list of drugs devised by Innovation Center (oral or IV, excludes topical)

Included Services

All Medicare Part A and B services received during the episode
Certain Medicare Part D expenditures

Episode Duration

Six months after chemotherapy initiation
Multiple episodes may be initiated during the five-year model period

Key Financial Elements of OCM

Traditional fee-for-service (FFS) payments

Current FFS payments for Medicare Part A, B, and D services will remain the same

Increase up-front payment in the form of per-beneficiary per-month (PBPM) payment of $160

Intended to finance the care transformation requirement ($960 per episode, even if chemotherapy treatment ceases)

Performance based payment based on savings generated by cost reduction or cost avoidance

Retrospective payment based on variance between risk-adjusted benchmark and actual costs that is dependent on achievement of quality measures (maximum cost reduction is 20%)

Practice Requirements to Participate in OCM

1. 24/7 patient access to an appropriate clinician who has real-time access to patient's medical records
2. Use an ONC-certified EHR and attest to Stage 2 of meaningful use by the end of the third model performance year
3. Utilize data for continuous quality improvement
4. Provide core functions of patient navigation
5. Document a care plan for every OCM patient that contains the 13 components in the Institute of Medicine Care Management Plan
6. Treat patients with therapies consistent with nationally recognized clinical guidelines

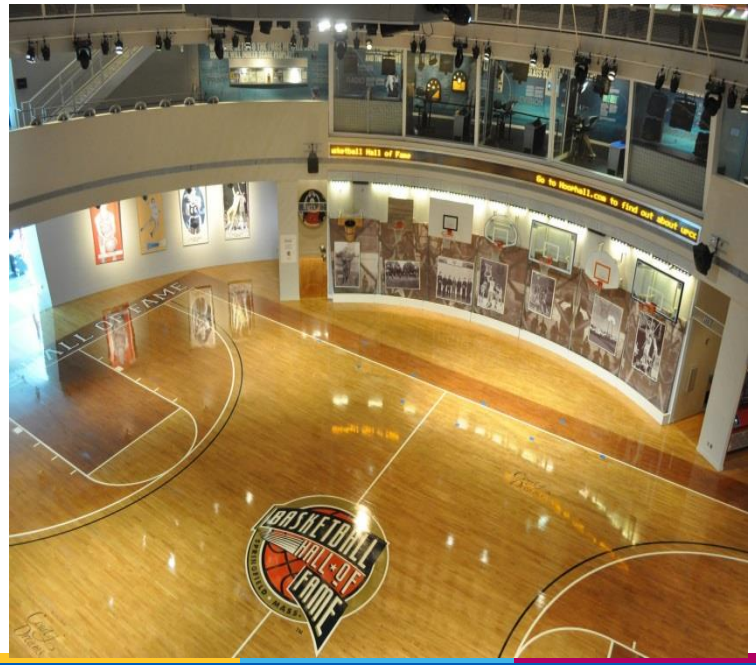
Lessons Learned

- **Begin planning early for development of the infrastructure to administer the bundled payment – 8 step model**
- **Tightly aligned physician partners critical at the outset**
- **Data analytics important to get right first**
- **Post-acute partnership are integral to the success of the bundle**
- **Post-acute fragmentation of care, continued opportunity around:**
  - Communication/Handover
  - Medical Management
  - Education and Training
  - Medication Reconciliation

Next Steps / Considerations

- Develop and adhere to "best practice" models, discourage unnecessary tests, transfusions, procedures, and consults.
- New protocols focused on episode costs: Encourage discharge and readmission of preop patients after cath on anti-platelet agents to reduce unnecessary lengths of stay.
- Track all post-acute bundle patients discharged to SNF's.
- Share profits/loss bundle dollars with rehabs and SNF's.
- Base physician reimbursement on quality and episode cost rather than RVUs.

Thank you



Appendix

Baystate Medical Center's Bundled Payment Approach: How to Create a Replicable Model

1) Convene the right team:

- **Engage the team** (Legal/policy, clinical, quality analysts, finance, communications)

2) Define the episode:

- **Ensure necessary data** is available (inpatient/outpatient data)
- Complete analysis and risk adjustment assessments

3) Develop measures (Triple Aim):

- **Select quality metrics** to monitor for bundled episode

4) Develop care model:

- Identify expert(s) to care models development for bundled episode **(inpatient and post-acute care)**

Baystate Medical Center's Bundled Payment Approach: How to Create a Replicable Model

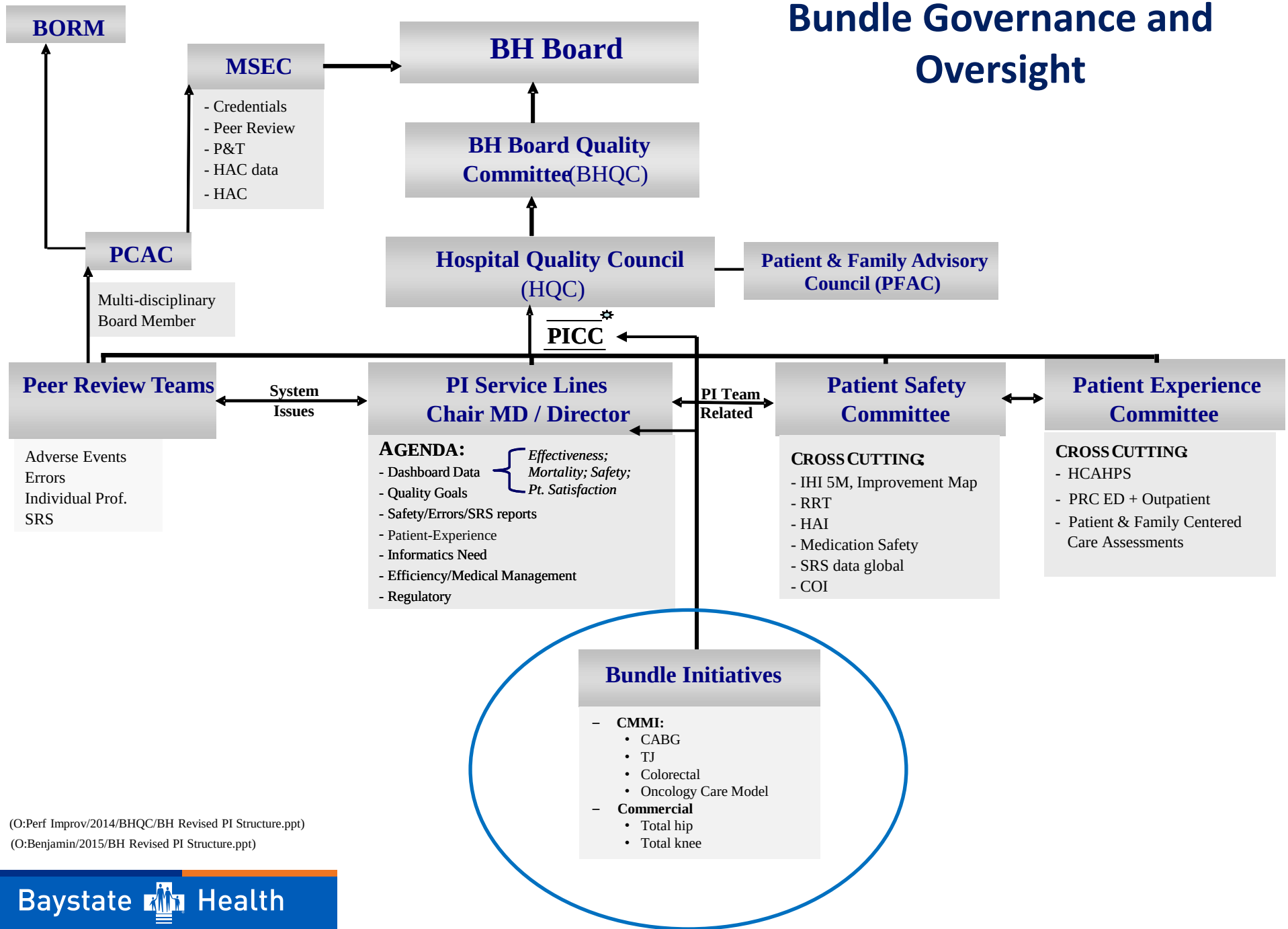
5) **Identify cost reduction opportunities:**
   - Review of **resources/utilization patterns**
   - Review product standardization opportunities or product substitution

6) **Price the bundle:**
   - Determine the key **cost metric indicators**

7) **Plan the gain-sharing:**
   - Stark, anti-kickback and antitrust guidelines.
   - Develop potential **gain sharing strategies/methodologies**
   - Define eligibility criteria for provider participation

8) **Develop a continuous process improvement plan:**
   - Develop a **quality and cost tracking scorecard**
   - Lean, PDSA cycles as necessary

Bundle Governance and Oversight



(O:Perf Improv/2014/BHQC/BH Revised PI Structure.ppt)
(O:Benjamin/2015/BH Revised PI Structure.ppt)