SLIDES 1-2
[Music Introduction 30 seconds]

Hello and thanks for joining the **2022 Reconciliation Overview Comprehensive Care for Joint Replacement Model Webcast.**

For the agenda, we will review a few announcements, then discuss Payment and Repayment, Reconciliation Updates, Data and Reports, the Appeals Process, the Reconciliation Review, and finally conclude the presentation with some information from our panelists.

At this time, I would like to introduce Dana Gallagher from Mathematica-MPR who will be our presenter today.

Dana, the floor is yours.

Slide 3:

- Thank you. I'd like to start us off on today's webinar with a few announcements. First, the 2022 Reconciliation Report is available on the CJR Data portal as of **May 11, 2022**. Last year's 2021 Reconciliation report is available separately in the **Archived Reconciliation Reports** zip folder on the Data Portal.
- Second, having completed final reconciliation, performance year subset 5.1 episodes are no longer included in your monthly data feed in the CJR Data Portal. The reconciliation claims data folder contains your final PY 5.1 episode data.
- Lastly, if you have any questions about today's webinar materials, please address them to the CJR Support email: CJRSupport@cms.hhs.gov

Slide 4:

- In the next few slides, we will be discussing payment and repayment. As a reminder on terminology, we will use "payment" to refer to your hospital receiving a payment as a result of reconciliation, and "repayment" to refer to your hospital receiving a demand letter for amounts owed to CMS.

Slide 5:

- For those not appealing their reconciliation reports, you can expect to receive payments around **August**.
- For those appealing their reconciliation results, you should expect payments around **November**. We'll discuss the appeals process later in the presentation.

Slide 6:

- Banking details and contact information must be up to date to ensure payments are received and repayments don't accrue interest.

- These need to be correct in the Medicare Provider Enrollment, Chain, and Ownership System.

- Please note that payments are sent to the account where your Medicare payments typically arrive.

Slide 7:

- For hospitals expecting payment, National Government Services (not the regular Medicare Administrative Contractor) will be facilitating the reconciliation process via USBank.

- The first addenda line on the EFT remit is displayed on this slide under the second bullet point.

- There will be one payment with separate addenda lines showing which Medicare trust funds were drawn from.

- The total payment will reflect the sum of the part A and part B lines.

Slide 8:

- For those who owe a repayment amount, your hospital will receive a demand letter in the mail that will detail how to submit payment.

- However, if you want to submit payment sooner, you can refer to the instructions included either in the email that notified you of the availability of the reconciliation reports, or the notice section of the reconciliation report itself.

Slide 9:

- There are a few situations where you may receive a payment *less* than the amount in the reconciliation report. Several of these are due to the consolidation of payments and repayments in the event that there are multiple CJR participant hospitals associated with the same tax identification number. If you receive a lower-than-expected payment, it's due to one of three things:

- Either your CCN has an outstanding debt or unpaid interest from a previous reconciliation;

- Another CCN that shares your TIN has an outstanding CJR debt or unpaid interest from a previous reconciliation; or

- Another CCN that shares your TIN owes a repayment for this reconciliation. The outstanding amount or repayment will be netted against your reconciliation payment.

- For example, if you owe $5,000 from PY 5.1, and your reconciliation report says you are set to receive a $100,000 payment, you will receive a reduced total of $95,000.

Slide 10:

- Now let's get into the performance year subset 5.1 final and 5.2 initial reconciliation updates.

Slide 11:

- PY 5.1 includes episodes that ended during calendar year 2020. This means that some performance year subset 5.1 episodes started in late 2019. For final reconciliation, we use claims processed and uploaded into the CMS Integrated Data Repository, or "IDR", as of March 1, 2022.

- PY 5.2 includes episodes that ended between January 1 and September 30, 2021. Again, this means that some episodes began the previous year, in late 2020. Because this performance year subset only spans 9 months, we are using a different claims run-out date than PY5.1 final. So PY5.2 initial uses claims processed and uploaded into the IDR as of December 1, 2021, which is 2 months after the end of the performance year subset. Claims processed after December 1st will be included in PY5.2 final reconciliation.

Slide 12:

- Each performance year undergoes two reconciliations, an initial reconciliation two months after the performance year and a final reconciliation 14 months after the performance year.

- This year's performance year subset 5.1 final reconciliation adjusts the initial reconciliation payments made in 2021, accounting for:

    - Final claims run-out;

    - Individual claim and overall episode cancellation;

    - Excess post-episode spending;

    - ACO overlap; and

    - For this year, an adjustment for suspension in Medicare sequestration. We'll discuss this more on an upcoming slide.

- In performance year subset 5.1, reconciliation payments are limited to a gain or loss of 20% of the target spending for most hospitals, and 5% for rural hospitals, Medicare dependent hospitals, and sole community hospitals.

Slide 13:

- There are four updates for performance year subset 5.2 initial:
    - As we mentioned, the performance year subset is nine months instead of the usual twelve months.
    - The limitation on loss and gain remains the same as PY5.1 at 20%, and the limitation remains at 5% for rural and otherwise eligible hospitals.
    - Again, we have applied an adjustment for the suspension in Medicare sequestration.
    - In PY5.2, we also discontinued our policy of capping all episodes in response to the COVID-19 Public Health Emergency, and after March 31st we began capping only those episodes with a COVID-19 diagnosis.
    - I'll move into the next slide, where I'll explain this in more detail.

Slide 14:

- As was the case last reconciliation, all episodes initiated between January 31st, 2020 and March 31st, 2021 are identified as disaster episodes due to the COVID-19 Public Health Emergency. At reconciliation, spending for disaster episodes is capped at the quality-adjusted target price.
- For episodes initiated *after March 31st, 2021*, spending is capped at the quality adjusted target price only if the episode has a claim with a COVID-19 diagnosis.

Slide 15:

- Sequestration – this is a new update for reconciliation this year. As you may know, Medicare sequestration is the automatic reduction of Medicare payments to limit federal spending, normally a uniform 2% reduction in Medicare's payments to providers.
- Due to the COVID-19 pandemic, Medicare sequestration was temporarily suspended beginning in May 2020. We've linked the relevant legislation on this slide. During reconciliation, episode spending and target prices for episodes have been adjusted to reflect the suspension of this 2% reduction. *Essentially,* what this looks like is a 2% increase in standardized payment amounts and target prices that began between May 1, 2020 and March 31, 2022. But for the sake of precision, I should note that technically, it's the removal of the 2% decrease. Those are similar, but not mathematically equivalent.
- This adjustment likely changed your PY5.1 final reconciliation results, as this adjustment was not made during PY5.1 initial reconciliation.

Slide 16:

- Now we will review the Data and Reports available on the CJR Data Portal.

Slide 17:

- Participants received several updated files on the data portal, including the Reconciliation Claims Data zip file, containing claims and beneficiary data for performance year subsets 5.1 and 5.2 episodes. Note that if you are looking to replicate the reconciliation results, you should use the claims data in this folder, rather than the monthly claims data, as this uses the correct run-out dates for reconciliation.

- The Reconciliation Report zip file, contains:

    - The 2022 reconciliation report HTML file, which will contain your calculated reconciliation amounts and quality scores for PY5.1 and 5.2.

    - RECON_AMT and HOSP_RECON_SUM files, which show your reconciliation amount, summary of spending for each DRG/fracture and episode period combination, and other summary statistics.

    - Quality measures summary file, with detailed information on the quality measure data used to calculate the composite quality score.

    - And a calculation error or "CE" form, with instructions on how to submit an appeal.

- As we previously mentioned, the previous 2021 Reconciliation report is on the Data Portal under Archived Reconciliation Reports.

- The data portal also contains a Patient Reported Outcomes Hospital-Specific Report file which provides detailed quality measure results for hospitals that did not successfully submit PRO data.

- And finally, the README and data dictionary zip file, which includes reconciliation, target price, and episode definition specifications, an updated data dictionary to help you understand all your data files, quality measure decile cutoffs, and a log of changes that describes reconciliation technical changes.

Slide 18:

- Now we'll do a live walkthrough of the report. [Review the four main sections of the 2022 reconciliation report.]

    - At the top we have the overall summary, with the amount your hospital will receive from or owe to CMS. This is the net of PY5.1 final results, plus PY5.2 initial results. More detailed information by PY is included below.

- Next, we have the financial performance section, which provides a breakdown of reconciliation payment/repayment calculations overall and by year. This is also where you can find whether episodes have been capped at the high-cost threshold.

- Then we move into a section describing the adjustments to the reconciliation amount that are made at the hospital-level: quality performance, any adjustments to PY5.1 for excess post-episode spending, loss and gain limitations, and ACO recoupment, as well as the adjustment for "extreme and uncontrollable circumstances" that will be applied for certain episodes, including all episodes from January 31, 2020 through March 31, 2021, and those with a COVID-19 diagnosis initiating after March 31, 2021.. And for PY5.2, we have revised this section to include data on episodes with a COVID-19 diagnosis. As a reminder, episodes may have both a COVID-19 diagnosis flag and a disaster flag.

- And lastly, an appeals section describing how to submit a calculation error form.

Slide 19:

- Now we will look at the timeline and logistics for the CJR reconciliation appeals process, which is outlined in section 310 of the final rule.

- This is the last appeal opportunity for performance year subset 5.1 episodes.

Slide 20:

- For your appeal to be considered, you need to email a completed calculation error form within 45 calendar days of the issuance of the reconciliation report.

- Appeals are due by **June 24, 2022 11:59 pm ET** and must be emailed to CJRreconciliation@cms.hhs.gov.

- Only participant hospitals can submit appeals, not consultants or contractors.

- If a calculation error form is not submitted within this 45-day period, the CJR reconciliation report is deemed final.

- Appeals are limited to episodes in PY 5.1 and 5.2. Participants can use one form to submit multiple calculation errors *within* a performance year but appeals for *different* performance years must be on separate forms.

- Note that the appeals process is for financial and methodological concerns and is not intended for feedback on model design or scope.

Slide 21:

- No personally identifiable information or personal health information is needed on the calculation error form. However, if you feel you need to send PII or PHI for an appeal, please upload the calculation error form to the data portal.
- If you do so, notify CMS of your upload via the reconciliation appeals inbox – but do not attach PII or PHI itself to the email. The calculation error form and instructions will have additional guidance on how to upload PII or PHI.

Slide 22:

- On this slide, we've outlined the types of calculation errors that can be submitted, including:
    - Inclusion or exclusion of Medicare beneficiaries or episodes in the baseline or performance period.
    - Inclusion or exclusion of specific claims within episode spending in the baseline or performance period.
    - Reconciliation amount calculation errors.
    - And the application or use of composite quality scores during reconciliation or in determining the performance decile.

Slide 23:

- This flow chart shows an overview of the appeals process.
- The top half of the flow chart is for the first level of appeals. If a participant hospital agrees with the reconciliation report or no calculation error form is submitted within 45 calendar days of reconciliation report issuance, then the determination is deemed final.
- If a participant submits a calculation error form within 45 calendar days, CMS should respond within 30 calendar days. CMS reserves the right to an extension of this 30 calendar day period upon written notice to the participant.
- On the bottom half you see the second appeal level. Participants may submit a request for reconsideration within 10 calendar days of receiving CMS' written response. If no request is received, then payment (or repayment) proceeds.
- If a request for reconsideration is received, CMS will schedule a review within 15 days and respond in about 60 calendar days.
- The written determination will be final, and payment or repayment will proceed. As a reminder, these are calendar days, rather than business days.

Slide 24:

- For those of you who might be new to CJR or could use a refresher, we will now provide an overview of reconciliation.

Slide 25:

- Reconciliation amounts are calculated using the methods described in the 42 C.F.R. Sections 510 and 512. In this slide we've included the links to the relevant CJR Final rules, the updates to the model due to the COVID-19 PHE, and the three year extension final rule, which finalizes several of the PHE-related changes.

- Regulations and notices can also be found on innovation.cms.gov/initiative/CJR

Slide 26:

- On this slide we review why episodes may be excluded. Examples of exclusions are:
    - Beneficiaries who are covered by non-traditional Medicare health plans, such as Medicare Advantage.
    - Beneficiaries with a date of death during the episode.
    - And beneficiaries admitted for another anchor stay.
- For comprehensive information on episode exclusion criteria, you can look at the Episode Definition Specifications and the "DROPREASON" variables in the Data Dictionary. Both can be downloaded from the data portal in the ReadMe and Data Dictionary zip folder.
- For details on why specific episodes were excluded, you can refer to the episode exclusion file in the Reconciliation claims data zip folder, which notes the applicable DROPREASONs for each episode.
- Information on exclusions is also available in sections 205 and 210 of the final rule.

Slide 27:

- This slide reviews the episode level adjustments that are applied to reconciliation.
    - First, inclusion of non-claims based payments (NCBPs), which include payments from other CMMI models such as CPC+ and PCF, will be incorporated into episode spending.
    - Capping of episode payments for episodes beginning or occurring during an emergency period (including those from January 31, 2020 through March 31, 2021) or that include a claim with a COVID-19 diagnosis.

    - And capping of episode payments at the high-cost threshold.

- The inpatient payment reflects the Medicare DRG payment adjustment for hospital–acquired conditions.

- All episode spending adjustments are described in further detail in the Episode Definition Specifications.

Slide 28:

- On this slide, we review the target prices created for participant hospitals prospectively before the performance year.

- These prospective target prices are delivered at least 2 times per year to account for Medicare payment updates.

- They apply based on the anchor stay *admission* date – unlike the performance year, which is determined on episode *end date* – and assume a 3% discount for quality.

- In your target price file on the Data Portal, you can reference the EPISODE_PERIOD variable to find the applicable prospective target prices.

Slide 29:

- During reconciliation, we adjust the standard 3% discount included in the prospective target prices based on your hospital's quality score.

- If, based on your composite quality score, your hospital falls into the good or excellent quality category, you will receive a smaller discount percentage – 2 or 1.5%, rather than 3.

- A smaller discount raises your target prices so you will either receive larger payments or need to make smaller repayments. A crosswalk of composite quality scores and applicable discount factors can be found in table 5 of the reconciliation report.

- Note that the quality-adjusted target price applies the same wage factors from the prospective target prices.

Slide 30:

- Now we will go into a bit more detail on how we determine your hospital's composite quality score.

- Your composite quality score is your quality measure performance points plus your improvement points, plus points for PRO submission.

- Quality measure performance points are based on your hospital's quality measure results and are assigned based on performance percentile.
    - You can see your results on tables 6 and 7 of the reconciliation report.
- Please note that CMS assigns hospitals without reportable quality measure values to the 50th percentile.
- One note specific to this reconciliation – due to the public health emergency, PRO data for both PY5.1 and PY5.2 is based on THA/TKA procedures between July 1, 2019 and June 30, 2020.
- Additional information on quality measure performance points, percentiles, and results is included in your reconciliation report. Additionally, detailed information on quality measurement can be found in the QM file that is delivered with your report.

Slide 31:

- On this slide we've included the weight that is given to the two quality measures: THA/TKA Complications measure, which is weighted at 50% with a max of 10 points and the HCAHPS Survey measure, which is weighted at 40% with a max of 8 points.
- The THA/TKA voluntary PRO and limited risk variable data submission has a 10% weight where two points are given just for successful submission.
- Quality improvement points can be earned if a hospital's quality performance on a measure increases from the previous performance year by at least two deciles.

Slide 32:

- On this slide you can see how a hospital's composite quality score impacts the discount factor.
- As you are comparing quality-adjusted target spending with actual episode spending, keep in mind that for performance year subsets 5.1 and 5.2, the discount factors for reconciliation and repayment are the same.
- Note that any hospitals with a below acceptable composite quality score will *not* be eligible for payment.

Slide 33:

- On this slide you can see how the stop-gain and stop-loss limits have changed over the performance years. Highlighted in red are the stop-gain and stop-loss limits for PY 5.1 and 5.2, which are both 20%.

- On the far right, we have included the 5% protective stop-loss limit, which applies to rural hospitals, rural referral centers, Medicare dependent hospitals, and sole community hospitals.

Slide 34:

Your reconciliation payment or repayment includes:

- The net payment reconciliation amount or "NPRA", which is the difference between your hospitals' episode spending and the quality-adjusted target price
    - This includes the application of the HIGHCOST threshold and stop-gain/stop loss limits.
- The NPRA also includes adjustments for
    - Performance year 5.1 final reconciliation,
    - Any excess post-episode spending
    - Shared savings with ACO models
    - Payment eligibility based on quality performance
- This includes if an overpayment was made during initial performance year 5.1 reconciliation, where the initial net payment amount is greater than the final net payment amount.
- For example, if your PY5.1 initial net payment amount was $1,000 greater than your PY5.1 final net payment amount, the $1,000 difference is subtracted from your 2022 reconciliation payment.
- Finally, reconciliation amounts are expressed in "real dollars" with wage factors reintroduced.

Slide 35:

- Looking ahead, performance year subset 5.2 final reconciliation will occur in **2023.**
- Keep in mind that final reconciliation has the potential to change your performance year subset 5.2 reconciliation amount that you will receive this year. As we discussed for performance year subset 5.1, final reconciliation uses claims data with additional runout, so you may see changes in the number of episodes or episode spending. During final reconciliation, we also account for any excess post-episode spending and ACO recoupment. Any adjustments will be reflected in the 2023 reconciliation report.

Slide 36:

- The next performance year will be performance year 6, which will include episodes with end dates from October 1st, 2021 until December 31st, 2022.

- This will be the first reconciliation held for the three-year extension of the CJR model, so there will be some changes. Unlike prior years, a single reconciliation will be held for PY6, using six months of claims runout. It will occur separately from the PY5.2 final reconciliation, which will be held the same calendar year.

- More information on PY6 reconciliation can be found in the final rule.

And this concludes our portion of the presentation, I will turn it back over to Glenna Davis to close us out.

Slide 37
Thank you so much Dana for all that wonderful information. That concludes today's webcast. If you have any questions regarding the resource materials or your reconciliation report, send an email to CJRSupport@cms.hhs.gov.

And if you have any questions about a reconciliation episode, please follow the appeals process.

Slide 38
Thank you for joining us! This concludes the PY5.2 2022 Reconciliation Overview webinar. Enjoy the rest of your day!