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CJR

Comprehensive Care for Joint Replacement Model

CJR Model: Three-Year Extension and Changes to Episode Definition and Pricing

Comprehensive Care for Joint Replacement Model

May 12, 2021

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Webinar Agenda

- Welcome
- Meeting Logistics
- Final Rule Presentation
- Questions & Answers
- Announcements & Reminders

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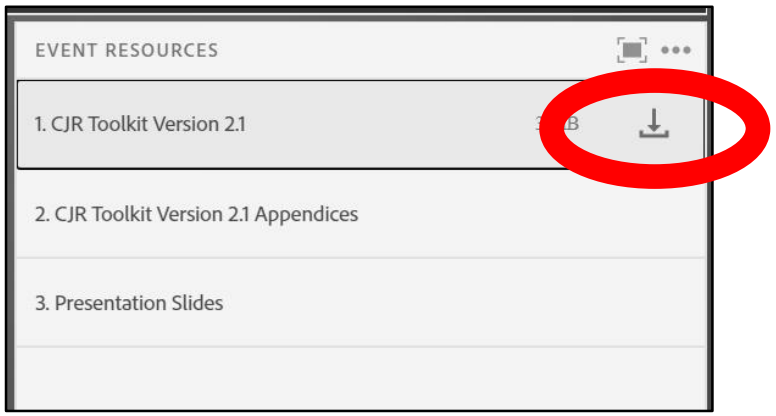

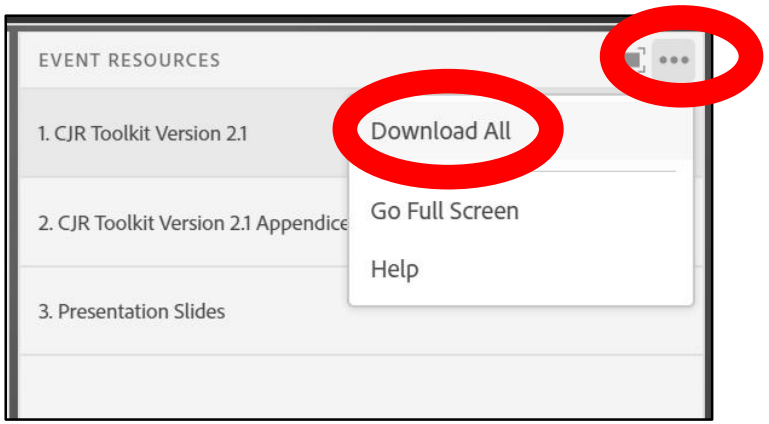

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Comprehensive Care for
Joint Replacement Model

Comprehensive Care for Joint Replacement (CJR) Model: Three-Year Extension and Changes to Episode Definition and Pricing

Center for Medicare & Medicaid Innovation
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CJR Final Rule

- CMS published the *Final Rule, Medicare Program: Comprehensive Care for Joint Replacement Model Three-Year Extension and Changes to Episode Definition and Pricing; Medicare and Medicaid Programs; Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency; Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency* on May 3, 2021.

  https://www.federalregister.gov/d/2021-09097

CJR Final Rule Summary [1]

- The rule extends the CJR model for an additional three performance years, through December 31, 2024
  - PY 6: 10/1/2021 – 12/31/2022 (15 months)
  - PY 7: 1/1/2023 – 12/31/2023
  - PY 8: 1/1/2024 – 12/31/2024

CJR Final Rule Summary [2]

- The rule finalizes changes to certain aspects of the CJR model, including:
  - Participant hospital definition
  - Episode of care definition
  - Target price calculation
  - Reconciliation process
  - Beneficiary notification requirements
  - Appeals process
  - Gainsharing caps
  - Collection of patient reported outcomes
  - Medicare program rule waivers

The CJR Model

- The Comprehensive Care for Joint Replacement (CJR) model aims to support better and more efficient care for beneficiaries undergoing a lower extremity joint replacement (LEJR).
- The model allows CMS to continue gaining valuable experience with episode payments for hospitals, and their collaborating post-acute care and other providers, with variety in utilization patterns and patient populations.

CJR Participants

- **November 2015 Final Rule:** Hospitals in 67 selected metropolitan statistical areas (MSAs), with limited exceptions. The MSAs were randomly selected from 294 eligible MSAs and presented in the final rule.
- **December 2017 Final Rule:** Rural and low-volume hospitals selected for participation in the CJR model, as well as those hospitals located in 33 of the 67 MSAs, were given a one-time option to choose whether to continue their participation in the model through December 31, 2020.
- **May 2021 Final Rule**: The model changes and extension only applies to those participant hospitals with a CMS Certification Number (CCN) primary address in the 34 mandatory MSAs. The model changes and extension exclude participant hospitals in those mandatory MSAs that are "low-volume hospitals" or that have received a notification from CMS dated prior to July 4, 2021, that they have been designated as "rural hospitals" (each as defined in 42 CFR 510.2). A list of CJR participant hospitals that will no longer be participating in the model for PYs 6-8 has been posted on the CJR webpage.

CJR Episode Definition

- Currently, CJR model episodes are initiated by an inpatient MS-DRG 469, 470, 521, or 522 discharge of an eligible Medicare beneficiary from a CJR participant hospital.
  - The May 2021 Final Rule finalizes a change to the episode definition in order to address the removal of Total Knee Arthroplasty (TKA) and Total Hip Arthroplasty (THA) from the inpatient only (IPO) list, which allows these procedures to be paid for by Medicare when performed in the hospital outpatient (OP) setting.
  - TKA and THA procedures performed in the OP setting will trigger a CJR episode. OP TKA episodes will be reconciled against the MS-DRG 470 target price, while OP THA episodes will be reconciled against either the MS-DRG 470 target price or, if there is a primary hip fracture, the MS-DRG 522 target price.

CJR Payment and Pricing: Target Price Calculation

- Currently, CJR target prices are based on 3 years of historical data.
- The May 2021 Final Rule finalizes a change to set target prices based on one year (the most recently available year) of baseline claims data.
- Currently, based on 100% regional pricing
  - The May 2021 Final Rule did not finalize changes to the regional pricing approach.
  - However, the May 2021 Final Rule removed the use of anchor factors and weights.

CJR Payment and Pricing: Reconciliation

- The May 2021 Final Rule finalizes the addition of:
  - Risk adjustment for the age bracket, CJR HCC count, and dual eligibility status applicable to a beneficiary in a CJR episode.
  - A market trend factor to better capture changes in service delivery patterns in the target price.
- Currently, there are 2 reconciliation periods after each CJR performance year.
  - The May 2021 Final Rule shifts to one reconciliation period that would be conducted 6 months after the close of each performance year.

CJR Payment and Pricing: Linking Quality to Payment

- The Composite Quality Score (CQS) determines whether a participant is eligible for a reconciliation payment (if savings are achieved beyond the quality-adjusted target price) and what effective discount percentage is applied to the CJR-episode benchmark price for reconciliation payment.
  - Currently, participants with unacceptable quality are not eligible for reconciliation payments and have an effective discount percentage of 3%.
    - The May 2021 Final Rule does not change this.
  - Currently, those with acceptable, good, or excellent quality are eligible for reconciliation payment and have an effective discount percentage of 3%, 2%, or 1.5%, respectively.
    - The May 2021 Final Rule moves to a 0% quality withhold for participants with excellent quality scores and a 1.5% withhold for good quality scores.
- CJR participants with a higher level of quality performance would generally experience a lower effective discount percentage at reconciliation, resulting in greater financial opportunity for the CJR participant.

CJR Payment and Pricing: High Cost Episode Cap

- We currently apply a cap at 2 standard deviations above the regional mean (high episode payment ceiling) when calculating initial CJR target prices and when comparing actual CJR episode payments to CJR episode benchmark and quality adjusted target prices at reconciliation.
  - The May 2021 Final Rule sets the cap (high episode payment ceiling) at the 99th percentile of arrayed actual costs for each episode type for each region (U.S. Census division).

CJR Payment and Pricing: COVID-19 Changes

- We finalized policies for target price and risk adjustment coefficient calculations.
  - Given the time to receive and process annual CMS-HCC condition count data, PY 6 risk adjustment coefficients will be held constant for PY 7.

Year	CY Claims Data Target Prices	CY Claims Data Risk Adjustment
Performance year 6 (10/1/21 - 12/31/22)	2019	2019
Performance year 7 (2023)	2021	2019
Performance year 8 (2024)	2022	2021

CJR Financial Arrangements:

Gainsharing Payments, Distribution Payments, and Downstream Distribution Payments

- Consistent with applicable law and regulations, CJR participant hospitals may engage in financial arrangements under the model.
- CJR participant hospitals may share reconciliation payments and internal cost savings with collaborators.
- Collaborators may share gainsharing payments as distribution payments to collaboration agents (physician group practice (PGP) members, non-physician practitioner group practice (NPPGP) members, ACO participants, or ACO providers/suppliers).
- Collaboration agents that are PGPs or NPPGPs apart of a collaborator ACO may share distribution payments as downstream distribution payments to downstream collaboration agents who are physician group practice members or non-physician group practice members.

CJR Financial Arrangements:

Elimination of 50 Percent Cap on Gainsharing Payments, Distribution Payments, and Downstream Distribution Payments

- In regards to physicians or non-physician practitioners, the CJR model has always included a cap on gainsharing payments, distribution payments, and downstream distribution payments.
- The May 2021 Final Rule eliminates the 50% cap on Gainsharing Payments, Distribution Payments, and Downstream Distribution Payments. It was determined that the existing cap:
    - Is arbitrary and limiting
    - Its burdens outweigh its benefits
    - Is consistent with BPCI Advanced policy

CJR Program Rule Waivers: Skilled Nursing Facility (SNF)

- The CJR model waives the SNF 3-day rule for coverage of a SNF stay following the anchor hospitalization beginning in performance year 2.
- Beneficiaries discharged pursuant to the waiver must be admitted to SNFs rated 3-stars or higher on the CMS Nursing Home Compare website.
- Beneficiaries must NOT be discharged prematurely to SNFs, and they must be able to exercise their freedom of choice without patient steering.
- The May 2021 Final Rule extends the 3 day SNF waiver to include beneficiaries who initiate CJR episodes in the outpatient setting.

CJR Program Rule Waivers: Direct Supervision Requirement

- The CJR model waives the direct supervision requirement to allow clinical staff to furnish certain post-discharge home visits under the general, rather than direct, supervision of a physician or nonphysician practitioners.
- The waiver allows a CJR beneficiary who does not qualify for home health benefits to receive a maximum of 9 post-discharge visits.
- The May 2021 Final Rule extends the waiver of the direct supervision requirement for certain post-discharge home visits to include beneficiaries who initiate CJR episodes in the outpatient setting.

CJR Beneficiary Protections: Beneficiary Notification

- The participant hospital notification informs Medicare beneficiaries of their inclusion in the CJR model and provides a paper, detailed explanation of the model.

- The May 2021 Final Rule finalizes the timing of the notification, in that prior to discharge from the anchor hospitalization, or prior to discharge from the anchor procedure, as applicable, the participant hospital must provide the CJR beneficiary with a participant hospital beneficiary notification.

Evaluation of the CJR model: Focus Areas

- The evaluation will assess the impact of the CJR model on the aims of improved care quality and efficiency as well as reduced health care costs.
- Focus areas include:
  - Payment and utilization impact
  - Quality of care and outcomes
  - Unintended consequences
  - Referral patterns and market impact
  - Potential for extrapolation of results

Questions & Answers

Submit a Question

To submit a question to the presenters, type into the Q&A Pod and select the upward facing arrow to send.

Announcements & Reminders

Reminders

- Send any questions or CJR model points of contact (POC) updates to CJRSupport@cms.hhs.gov.
- To request a CJR Connect account, go to: https://app.innovation.cms.gov/CMMIConnect/IDMLogin and click "New User Registration".
- *Please take a few minutes to respond to the Post-Event Survey.*