

Readmission Rates Are 6 Times Higher for Some Conditions in Medicare's New Bundled Payment Program /

As the deadline approaches for providers to make decisions on their participation in BPCI Advanced, Avalere analysis shows that certain conditions may provide greater opportunity for success.

New analysis from Avalere finds that readmissions rates for certain Bundled Payment for Care Improvement (BPCI) conditions can be up to 6 times higher than other BPCI conditions. For example, readmission rates for select liver disorders are more than 40%, while various joint replacement readmission rates are below 10% (Table 1).

BPCI Advanced is a new voluntary bundled payment model that provides incentives for better care coordination and improved care quality and efficiency. BPCI Advanced will qualify as an Advanced Alternative Payment Model under the Quality Payment Program, allowing participating physicians to be eligible for a 5% bonus payment. The model will begin on October 1, 2018.

Readmission rates are 1 of 7 quality measures for the BPCI Advanced Model. Given the high cost of readmissions, reducing these rates is a key success factor in BPCI Advanced.

“For health systems and physician groups evaluating participation in BPCI Advanced, focusing on opportunities to reduce readmissions is a logical place to start,” said Fred Bentley, vice president at Avalere. “Many organizations tend to gravitate toward surgical episodes, but our analysis indicates that there is substantial room to reduce readmissions for medical conditions.”



The Centers for Medicare & Medicaid Services (CMS) recently reviewed applications for the first cohort of participants who will enter BPCI Advanced on October 1, 2018. The agency is slated to distribute claims data and target prices to applicants in May, allowing applicants to evaluate the clinical conditions for participation. The deadline for participants to make episode selections and submit signed participation agreements to CMS is August 1, 2018.

“The next several weeks are a critical window for BPCI Advanced applicants as they deliberate optimal clinical conditions to select for BPCI Advanced participation,” said Erica Breese, director at Avalere. “Our data show that certain conditions provide greater opportunity for success through reducing unnecessary readmissions. In our experience, organizations that more carefully evaluate and select episodes for participation tend to be more successful in episodic bundled payment programs.”



Table 1: 90-Day Medicare Readmission Rates for Select BPCI Advanced Conditions

BPCI Advanced Condition	Readmission Rate 2017
Disorders of liver except malignancy, cirrhosis or alcoholic hepatitis	43%
Acute myocardial infarction	34%
Congestive heart failure	36%
Chronic obstructive pulmonary disease, bronchitis/asthma	29%
Renal failure	28%
Cardiac arrhythmia	26%
Simple pneumonia and respiratory infections	22%
Urinary tract infection	26%
Sepsis	25%
Cellulitis	24%
Gastrointestinal hemorrhage	25%
Cardiac defibrillator	24%
Gastrointestinal obstruction	24%
Major bowel procedure	21%
Fractures femur and hip/pelvis	22%
Percutaneous coronary intervention	20%
Stroke	20%
Lower extremity and humerus procedure except hip, foot, femur	19%
Cardiac Valve	20%
Hip and femur procedures except major joint	20%
Pacemaker	18%
Coronary artery bypass graft surgery	18%
Combined anterior posterior spinal fusion	12%
Back and neck except spinal fusion	12%
Spinal fusion (non-Cervical)	11%
Cervical spinal fusion	13%
Major joint replacement of the lower extremity	8%
Major joint replacement of upper extremity	7%
ALL CONDITIONS	26%

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Methodology

Avalere constructed episodes of care for BPCI Advanced conditions initiated in hospitals nationwide using the Medicare Standard Analytic 5% claims file for 2016 through Q3 of 2017. BPCI Advanced episodes include a hospital inpatient stay and all services provided in the 90-days after hospital discharge. Clinical conditions are defined by the Diagnosis Related Group (DRG) for the episode initiating hospital stay. Avalere calculated readmission rates by evaluating the percentage of episodes with at least 1 readmission within the 90-day episode after hospital discharge.

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