



Key Topics in Orthopaedics

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FAOA

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Potential topics

- Patient Specific Total Hip Replacement
- Patient Specific Total Knee Replacement
- Robotic Partial Knee, Total Knee and Total Hip
- Outpatient Total Joints

Value Based Lower Extremity Total Joint Arthroplasty!

- Alphabet Soup
- Value over Volume
- ACA 2010, CMMI (Innovation Center)
- Medicare Sustainable Growth Rate (SGR)
Balanced Budget Act 1997 Fix
 - Burgess HR 2 Permanent Doc Fix 2015
 - Medicare Access and CHIP Reauthorization Act 2015 (MACRA)

MACRA

4-16-2015

- Department of Health and Human Services
 - Merit Based Incentive Program (MIP)
 - Rolls Meaningful Use 1, 2 and 3 into one
 - Transition from Fee for Service (FFS)
 - Pay for Performance (P4P)
 - MIP, APM and ACO



MIPs or APM

1-1-2017

- Bonus or penalty
 - Inflationary Adjustment- (annual +0.5%) 2016-2019
 - Performance Adjustment- +/- P4P
 - 2017/2019 -4% +0.28%
 - 2018/2020 -5% +0.29% (predicted)
 - 2019/2021 -7% +1.11% (predicted)
 - 2020/2022 -9% +9.0%

Alternative Payment Models (APM)

- Bundled Payments for Care Improvement (BPCI) Initiative
 - Quality Payment Program (QPP) track
 - 5% incentive
 - Excluded from MIPS reporting and payment adjustment

BPCI Classic/Traditional

- Model 1
 - April 2013-March 31, 2016
 - MS-DRG 48 episodes
 - CMS pays hospital discounted amount from Inpatient Prospective payment System (IPPS)
 - Physicians/Surgeons paid separately from fee schedule

Model 2 and Model 3

- 2016-2018
- Retrospective bundle
- Reconciled against a Target Price (TP) for an Episode of Care (EC) every quarter
- Triggered by Episode Initiator (EI) on admission and lasts for 90 days after discharge

BPCI Advanced

- First cohort 10/01/2018-12/31/2023
- Second cohort 01/01/2020 application closes 6/24/2019
- Aims to support providers who invest in practice innovation and care redesign to better coordinate care, improve quality of care, and reduce expenditures, while improving the quality of care for Medicare beneficiaries.
- Qualifies as an Advanced-APM under QPP

Why?

- FFS going down by design
- Incentive payments for Value
- $\text{Value} = \text{Quality} / \text{Cost}$
- Decrease cost and Value increases

How?

- LE TJ one of most successful bundles
- Triggered when CPT27447 or CPT27130 performed inpatient DRG469 or 470
- Also includes hip fracture arthroplasty
- Begins at Discharge and lasts 90 days
- Gainsharing to PGP or Convener at 6 month reconciliation
- 20% max risk for 20% loss or 20% gain
- Hospital still paid DRG and MD paid CPT FFS

Example

- LETJ bundle
- PGP EI
- TP 25K
- 500 episodes
- Cost savings 20% or 5K per episode
- Potential gainsharing app. \$2.5M
- Potential \$2.5M max loss
- CMS saving billions with 3% discount

How to Drive Down Cost?

- Risk stratification and patient selection
 - BMI, diabetes control, smoking
- Care redesign
 - Prehab
 - Nurse navigator
 - Care Partner
 - Multi modal pain management
 - Less invasive surgeries
 - Avoid catheters/PT DOS
 - Post acute care: reduce SNF/home PT and HHN
 - Early office follow up
 - Reduced outpatient PT
 - Reduce all cause 90 day readmissions
- Improved outcomes and satisfaction

2023

- Who knows?
- Mandatory bundles CJR
- At risk ACOs/precedence?
- Outpatient bundles?
- CMMI what's next?

Thank You!
**(you could've had robotics, patient
specific or outpatient total joints)**

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