

December 2017

| Medicare Delivery System Reform: The Evidence Link<br>Side-by-Side Comparison: Medicare Bundled Payment Models |  |   |  |   |   |  |   |  |
|--|--|---|--|---|---|--|---|--|
|  | Bundled Payment for<br>Care Improvement<br>(BPCI) Model 1  | Bundled Payment for<br>Care Improvement<br>(BPCI) Model 2   | Bundled Payment for<br>Care Improvement<br>(BPCI) Model 3  | Bundled Payment<br>for Care<br>Improvement<br>(BPCI) Model 4  | Comprehensive Care for<br>Joint Replacement (CJR)   | Oncology Care<br>Model (OCM)   | CANCELED:<br>Episode Payment<br>Models (EPM)  | CANCELED:<br>Cardiac<br>Rehabilitation (CR)<br>Incentive Payment<br>Model  |
| Model Basics   |  |   |  |   |   |  |   |  |
| Status   | Ended (12/2016)  | Active (through<br>9/2018)  | Active (through<br>9/2018)   | Active (through<br>9/2018)  | Active (through 12/2020);<br>Changes to mandatory<br>areas effective 1/1/2018.  | Active (through<br>6/2021)   | All EPMs canceled per<br>CMS final rule (published<br>12/1/2017).   | CR model canceled<br>per CMS final rule<br>(published<br>12/1/2017).   |
| Description of the<br>Model  | BPCI is a voluntary<br>model in which CMS<br>allocates a single,<br>pre-determined<br>payment amount<br>("bundle") for an<br>episode of care<br>triggered by a<br>hospitalization.<br>Participants gain<br>financially if actual<br>expenditures for an<br>episode (determined<br>retrospectively) are<br>below the "target<br>price." For Model 1,<br>the bundle includes<br>the inpatient stay for<br>all Medicare hospital<br>admissions. | BPCI is a voluntary<br>model in which CMS<br>allocates a single,<br>pre-determined<br>payment amount<br>("bundle") for an<br>episode of care<br>triggered by a<br>hospitalization.<br>Participants gain<br>financially if actual<br>expenditures for an<br>episode (determined<br>retrospectively) are<br>below the "target<br>price." For Model 2,<br>the bundle includes<br>the inpatient hospital<br>stay, post-acute care,<br>and physician and<br>other related services<br>for up to 48 clinical<br>episodes. | BPCI is a voluntary<br>model in which CMS<br>allocates a single,<br>pre-determined<br>payment amount<br>("bundle") for an<br>episode of care<br>triggered by a<br>hospitalization.<br>Participants gain<br>financially if actual<br>expenditures for an<br>episode (determined<br>retrospectively) are<br>below the "target<br>price." For Model 3,<br>the bundle includes<br>the post-acute care<br>services for up to 48<br>clinical episodes. | BPCI is a voluntary<br>model in which<br>CMS allocates a<br>single, pre-<br>determined<br>payment amount<br>("bundle") for an<br>episode of care<br>triggered by a<br>hospitalization.<br>Participants gain<br>financially if their<br>expenses for an<br>episode are below<br>the prospectively<br>paid "target price." For Model 4, the<br>bundle includes<br>the inpatient<br>hospital stay and<br>inpatient physician<br>services for up to<br>48 clinical<br>episodes. | CJR is converting from a full<br>mandatory model to a<br>combination of mandatory<br>and voluntary, in which CMS<br>allocates a single, pre-<br>determined payment<br>amount ("bundle") for hip<br>and knee replacements for<br>the inpatient hospital stay,<br>and any post-acute care,<br>physician services, and<br>other related services<br>through 90 days post-<br>discharge. Effective Jan. 1,<br>2018, hospital participation<br>in CJR is voluntary in 33 of<br>the 67 originally mandated<br>geographic areas as well as<br>voluntary for small and/or<br>rural hospitals in all 67<br>areas. Participants gain<br>financially if actual<br>expenditures for an episode<br>(determined retrospectively)<br>are below the "target price." | The OCM is a<br>voluntary model<br>in which oncology<br>practices receive<br>monthly care<br>management fees<br>and are eligible<br>for bonus<br>payments if they<br>lower overall<br>related (Parts A,<br>B, and D)<br>Medicare<br>spending for<br>chemotherapy<br>and related care,<br>and meet quality<br>goals. Multiple<br>risk/reward<br>options are<br>offered, in<br>alignment with<br>commercial<br>insurers. | CMS recently canceled all<br>three EPMs. The EPMs<br>included three mandatory<br>models—the acute<br>myocardial infarction<br>(AMI) model, the coronary<br>artery bypass graft<br>(CABG) model, and the<br>surgical hip and femur<br>fracture treatment<br>(SHFFT) model—for<br>hospitals in 67 selected<br>areas. For each model,<br>the bundle included the<br>inpatient hospital stay<br>and any post-acute care,<br>physician services, and<br>other related services<br>through 90 days post-<br>discharge. Participants<br>would have been able to<br>gain financially if total<br>spending for an episode<br>was below the pre-<br>determined quality-<br>adjusted "target price." | CMS recently<br>canceled the CR<br>model. The CR<br>model was a<br>mandatory, bonus-<br>only model for<br>hospitals in 90<br>selected areas. CMS<br>would have paid<br>hospitals bonuses<br>based on the<br>number of cardiac<br>rehabilitation<br>sessions applicable<br>Medicare patients<br>receive after<br>discharge. |

|                                  |  |   |   |  |  |                    |   |   |
|----------------------------------|--|---|---|--|--|--------------------|---|---|
| Start Date                       | 4/2013   | 10/2013   | 10/2013   | 10/2013  | 4/2016   | 7/2016             | All EPMs canceled per CMS final rule (published 12/1/2017). | CR model canceled per CMS final rule (published 12/1/2017). |
| Number of Beneficiary Episodes   | 240,960 episodes (years 1 and 2)   | 242,000 episodes (years 1 and 2)  | 35,000 episodes (years 1 and 2)   | 7,682 episodes (years 1 and 2)   | Not yet available.   | Not yet available. | Not applicable – canceled.                                  | Not applicable – canceled.                                  |
| Key Results                      |  |   |   |  |  |                    |   |   |
| Medicare Spending (Savings/Cost) | Over the first two years, aggregate Medicare savings totaled \$10 million relative to a control group—attributable mostly to discounted Medicare payments to hospitals. Notably, Medicare spending on care following hospitalizations was higher for BPCI episodes than the comparison group. Most hospital participants withdrew. | In the first two years, relative to comparison groups, the Model 2 BPCI participants had statistically significant Medicare savings per 90-day episode for 1 of 23 clinical groups (major joint replacement of lower extremities—mostly hip and knee). No statistical difference in other 22 clinical groups. | In the first two years, relative to comparison groups, Model 3 BPCI participants had statistically significant Medicare savings per 90-day episode for 2 of 14 clinical groups (major joint replacement of lower extremities—mostly hip and knee—and congestive heart failure). No statistical difference in other 12 clinical groups.  | In the first two years, there was no statistical difference in per-episode spending between Model 4 BPCI participants and comparison groups. Only two clinical groups had enough sample size for analysis.   | In the first year, 48% of hospitals (382/800) received “reconciliation payments” indicating that their Medicare spending was below benchmark. Reconciliation payments totaled \$37.6 million, averaging \$1,134 per episode. No spending info is available for hospitals that did not receive reconciliation payments. | Not yet available. | Not applicable – canceled.                                  | Not applicable – canceled.                                  |
| Quality of Care                  | Over the first two years, no significant differences in quality between BPCI episodes and comparison group.  | In the first two years, across all Model 2 clinical episodes with sufficient sample size, there were few statistically significant differences in quality relative to comparison groups, for both claims-based and survey-based measures.   | In the first two years, for some clinical groups, unplanned readmission rates, emergency department use, and mortality were higher for BPCI SNF participants than control groups. In contrast, functional improvements were greater for BPCI SNF participants, but not home health participants. Minimal differences were noted on patient-reported quality measures, relative to | In the first two years, the rate of unplanned readmissions declined more for BPCI participants for major joint replacements of lower extremities (hip/knee) relative to a comparison group, but minimal difference and mixed results noted for most other claims- and survey-based measures. Results are limited by small sample size. | Among hospitals that received reconciliation payments, 39% were classified in the “excellent” quality category; 53% in “good”; 8% in “acceptable”; and 0% in “below acceptable.” No quality info is available for hospitals that did not receive reconciliation payments.  | Not yet available. | Not applicable – canceled.                                  | Not applicable – canceled.                                  |

|  |  |   |  |   |   |                    |                            |                            |
|--|--|---|--|---|---|--------------------|----------------------------|----------------------------|
|  |  |   | the comparison group.  |   |   |                    |                            |                            |
| Results in Detail: Medicare Spending (Savings/Cost)                                  |  |   |  |   |   |                    |                            |                            |
| Aggregate Change in Medicare Spending vs. Comparison Group (all clinical categories) | Across first two years, Medicare spending for BPCI group was –\$10.5 million lower across all Medicare admissions, relative to comparison group; per-episode spending was not statistically different. | Not reported.   | Not reported.  | Not reported.   | In first year, Medicare paid reconciliation payments totaling \$37.6 million across 382 hospitals that received them (48% of hospitals in the model). No Medicare spending info is available for hospitals that did not receive reconciliation payments.          | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |
| Per-Episode Change in Medicare Spending vs. Comparison Group, by Clinical Category   |  |   |  |   |   |                    |                            |                            |
| Major Joint Replacement of the Lower Extremity (e.g., hip/knee)                      | Not reported by clinical category.   | Medicare spending for BPCI group was –\$1,273 lower per 90-day episode, relative to comparison a group. <sup>1</sup>      | For episodes in which SNFs were the episode initiators, Medicare spending for BPCI group was –\$2,568 lower per 90-day episode, relative to a comparison group. <sup>1</sup> | No statistically significant difference in Medicare spending between BPCI group and a comparison group in 90-day episodes. <sup>1</sup> | In first year, Medicare paid an average of \$1,134 per episode, in reconciliation payments to the 382 hospitals (48%) that had spending below their benchmark. No Medicare spending info is available for hospitals that did not receive reconciliation payments. | Not applicable.    | Not applicable – canceled. | Not applicable – canceled. |
| Congestive Heart Failure   | Not reported by clinical category.   | No statistical difference in Medicare spending between BPCI group and a comparison group in 90-day episodes. <sup>1</sup> | For episodes in which home health agencies were the episode initiators, Medicare spending for BPCI group was –\$970 lower per 90-day episode. <sup>1</sup>                   | No statistical difference in Medicare spending between BPCI group and a comparison group in 90-day episodes. <sup>1</sup>               | Not applicable.   | Not applicable.    | Not applicable – canceled. | Not applicable – canceled. |
| All Other Clinical Episodes  | Not reported by clinical category.   | Excluding hip/knee replacement group (separate row), no statistical difference in Medicare spending between BPCI group    | Excluding hip/knee replacement and congestive heart failure groups (separate rows), no statistical difference  | No statistical difference in Medicare spending between BPCI group and a comparison group in 90-day                                      | Not applicable.   | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |

|                                    |  |  |  |   |                    |                    |                            |                            |
|------------------------------------|--|--|--|---|--------------------|--------------------|----------------------------|----------------------------|
|                                    |  | and a comparison group in 90-day episodes (or sample sizes too small to assess). Of the groups with enough sample size, 11 clinical episodes had non-significant lower Medicare spending; 11 had non-significant higher spending. <sup>1</sup>   | in Medicare spending between BPCI group and a comparison group in 90-day episodes (or sample size too small to assess). Of the groups with enough sample size, 9 of 10 SNF-initiator episodes had non-statistically significant lower SNF spending. <sup>1</sup> | episodes (or sample size too small to assess). <sup>1</sup>   |                    |                    |                            |                            |
| Results in Detail: Quality of Care |  |  |  |   |                    |                    |                            |                            |
| Hospital Readmission Rate          | No statistically significant difference from comparison group.   | A small but statistically significant increase in unplanned readmissions was detected for hip and femur procedures (excludes major joints) among BPCI participants, relative to a comparison group. Most other clinical episodes had no statistical differences in readmission rates.                | For 8 of 11 clinical episodes, unplanned readmission rates fell more for the control group SNFs than the BPCI group. Most other clinical episodes had no difference in readmission rates relative to a comparison group.   | There was a statistically significant decline in the unplanned readmission rate for major joint replacements of lower extremities (hip/knee) relative to a comparison group. No other episodes had statistically significant differences. | Not yet available. | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |
| Mortality Rate                     | No statistically significant difference from comparison group, but outliers for higher mortality rates noted for BPCI providers. | Statistically significant declines noted in mortality rates for certain clinical episodes in BPCI group: renal failure, nutritional and metabolic disorders, and acute myocardial infarction, relative to comparison groups. No statistical difference in mortality for all other clinical episodes. | There was a statistically significant increase in mortality for certain pneumonia episodes among BPCI SNFs, but illness severity may also have been higher for them relative to comparison groups.   | Differences in mortality rates between BPCI and comparison groups were either not statistically significant or potentially biased by differences in patient severity. Results are limited by small sample size.                           | Not yet available. | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |

|                                      |  |   |   |  |                    |                    |                            |                            |
|--------------------------------------|--|---|---|--|--------------------|--------------------|----------------------------|----------------------------|
| <b>Emergency Department (ED) Use</b> | No statistically significant difference from comparison group. | For non-cervical spinal fusion episodes, a statistically significant increase in emergency department use was found for BPCI group, relative to a comparison group, but emergency department use that turned into readmissions declined for stroke. No other clinical episodes had notable differences.   | The proportion of BPCI patients with an emergency department visit within the 90-day post-discharge period rose relative to comparison patients.  | No significant differences between BPCI and a control group for the two clinical episodes with enough sample size to measure.              | Not yet available. | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |
| <b>Functional Recovery</b>           | Not reported.  | On measures of adult daily living activities, across all post-acute care sites, improvements were noted for 8 measures and declines were noted on 14 measures for BPCI participants relative to control groups; no statistically significant change for majority of measures across sites. According to patient surveys, for major joint replacements of lower extremities (hips/knees), BPCI survey respondents reported greater functional improvement (e.g., mobility) relative to comparison group. For sepsis episodes, BPCI respondents reported greater declines. Minimal differences noted between BPCI and comparison groups | Statistically significant functional improvement was documented among SNF BPCI participants for seven clinical episodes (and for home health BPCI groups for 2 clinical episodes) relative to comparison groups. The only clinical episode with relative declines was for major joint replacements (hip/knee) among SNFs, but patient surveys for this clinical episode did not show statistical difference in patient-reported outcomes. | Minimal and mixed differences noted between BPCI and comparison groups, reflecting to some extent, small sample sizes by clinical episode. | Not yet available. | Not yet available. | Not applicable – canceled. | Not applicable – canceled. |

|  |  |  |  |   |  |  |   |                            |
|--|--|--|--|---|--|--|---|----------------------------|
|  |  | for other clinical episodes.   |  |   |  |  |   |                            |
| <b>Patient-Reported Care Experience</b>                      | Not reported.  | For major joint replacements of lower extremities (hips/knees), BPCI survey respondents reported greater improvement in care experience (e.g., interactions with medical staff) relative to comparison group. For sepsis episodes, BPCI respondents reported greater declines. Minimal differences noted between BPCI and comparison groups for other clinical episodes. | On 3 of 10 measures, SNF BPCI respondents reported worse care experiences relative to comparison groups. For home health BPCI respondents, minimal differences relative to comparison groups.    | BPCI patients reported similar changes in health care experience relative to comparison groups.   | Not yet available.                                   | Not yet available.   | Not applicable – canceled.                | Not applicable – canceled. |
| <b>Provider Participation</b>                                |  |  |  |   |  |  |   |                            |
| <b>Number of Awardees (Providers) Participating, by Year</b> | 2016: 1 hospital<br>2015: 11 hospitals<br>2014: 15 hospitals<br>2013: 24 hospitals | By performance year:<br>2017: 382 episode initiators<br>2016: 649 episode initiators and awardees<br>2015: 718 episode initiators<br>2014: 113 episode initiators<br>2013: 9 episode initiators  | By performance year:<br>2017: 637 episode initiators<br>2016: 862 episode initiators and awardees<br>2015: 1,347 episode initiators<br>2014: 94 episode initiators<br>2013: 9 episode initiators | By performance year:<br>2017: 3 participating hospitals; 0 episode initiators<br>2016: 10 episode initiators and awardees<br>2015: 23 episode initiators<br>2014: 20 episode initiators (10 subsequently withdrew)<br>2013: 1 episode initiator | 2017: 794 hospitals<br>2016: 800 hospitals (approx.) | 2017: 190 practices and 16 insurers<br>2016: 200 practices (approx.) and 17 insurers | Not applicable – canceled.                | Not applicable – canceled. |
| <b>Financial Arrangements</b>                                |  |  |  |   |  |  |   |                            |
| <b>Provider Participation</b>                                | Voluntary  | Voluntary  | Voluntary  | Voluntary   | CJR began as a mandatory in 67                       | Voluntary  | AMI and CABG models canceled - originally | Canceled - originally      |

|  |                          |                    |                    |                    |   |  |  |  |
|--|--------------------------|--------------------|--------------------|--------------------|---|--|--|--|
|  |                          |                    |                    |                    | geographic areas; Effective January 2018, participation is voluntary in 33 of these areas and stays mandatory in the 34 remaining areas; participation for small or rural hospitals is voluntary in all 67 areas. |  | mandatory for hospitals in 98 specified geographic areas.<br><br>SHFFT model canceled - originally mandatory for hospitals in 67 specified geographic areas. | mandatory for hospitals in 90 specified geographic areas.                            |
| Services Included In Episode Bundle <sup>2</sup>   |                          |                    |                    |                    |   |  |  |  |
| All Inpatient Hospital Services  | ✓                        | ✓                  | ✗                  | ✓                  | ✓   | ✓  | ✓  | ✗  |
| All Inpatient Physician Services   | ✗                        | ✓                  | ✗                  | ✓                  | ✓   | ✓  | ✓  | ✗  |
| All Ambulatory Physician Services  | ✗                        | ✓                  | ✗                  | ✗                  | ✓   | ✓  | ✓  | ✗  |
| All Post-Acute Care Services   | ✗                        | ✓                  | ✓                  | ✗                  | ✓   | ✓  | ✓  | ✗  |
| Retail Prescription Drugs (Part D)   | ✗                        | ✗                  | ✗                  | ✗                  | ✗   | A portion of certain specified drugs. <sup>3</sup>         | ✗  | ✗  |
| Type of Clinical Episode   | All Medicare admissions. | Up to 48 episodes. | Up to 48 episodes. | Up to 48 episodes. | Hip and knee replacement.   | Chemotherapy for cancer.                                   | Acute myocardial infarction (AMI), coronary artery bypass graft (CABG), and surgical hip and femur fracture treatment (SHFFT).                               | Sessions of cardiac rehabilitation.  |
| Care Management Fees<br>Medicare pays monthly per-beneficiary payments for care management                             | ✗                        | ✗                  | ✗                  | ✗                  | ✗   | ✓<br>\$160/month <sup>4</sup>                              | ✗  | ✗  |
| Financial Risk/Reward  |                          |                    |                    |                    |   |  |  |  |
| Retrospective Reconciliation<br>CMS first pays submitted claims, then calculates providers' total Medicare spending on | ✓                        | ✓                  | ✓                  | ✗                  | ✓<br>2-sided risk begins in second performance year.  | ✓<br>Option of 1-sided or 2-sided risk track. <sup>5</sup> | ✓  | ✓<br>No downside risk; per-session payments based on number of CR sessions (\$25 for |

|   |               |             |         |                |  |                               |   |   |
|---|---------------|-------------|---------|----------------|--|-------------------------------|---|---|
| full episode. If spending was below target, then Medicare owes providers; if it was higher, then providers owe Medicare.                            |               |             |         |                |  |                               |   | first 11 sessions; \$175 for sessions 12-36). |
| <b>Target Price “Discounts”</b><br>Reductions in Medicare fees either at time of claims payment or in reconciliation calculation.                   | ✓<br>Up to 1% | ✓<br>2 - 3% | ✓<br>3% | ✓<br>3 - 3.25% | ✓<br>1.5 - 3%; based on quality score. | ✓<br>2.75 - 4%                | ✓<br>Reduction not specified; based on quality score. | Not applicable; bonus payment only.           |
| <b>Gainsharing Waiver</b><br>Providers may apply for waivers to allow sharing of Medicare payments with partnering providers (e.g., self-referral). | ✓             | ✓           | ✓       | ✓              | ✓                                      | ✗                             | ✓   | ✗   |
| <b>“Advanced APM” Bonus</b><br>Physicians affiliated with model are eligible for automatic 5% bonuses, starting in 2019, per MACRA.                 | ✗             | ✗           | ✗       | ✗              | ✓                                      | ✓<br>2-sided risk track only. | ✓   | ✗   |
| <b>Beneficiary Involvement</b>  |               |             |         |                |  |                               |   |   |
| <b>Informing Medicare Beneficiaries</b>   |               |             |         |                |  |                               |   |   |
| <u>CMS</u> mails notices to beneficiaries informing them of their attribution to a bundled payment participant.                                     | ✗             | ✗           | ✗       | ✗              | ✗                                      | ✗                             | ✗   | ✗   |
| <u>Bundled payment provider</u> notifies beneficiaries via written notice of their participation in the bundled payment                             | ✓             | ✓           | ✓       | ✓              | ✓                                      | ✓                             | ✓   | ✓   |



|   |   |   |   |   |   |   |                   |                 |
|---|---|---|---|---|---|---|-------------------|-----------------|
| model and beneficiaries' continued rights to see any Medicare provider and receive necessary services.  |   |   |   |   |   |   |                   |                 |
| Option for Beneficiaries to Play Active Role in Model Attribution   |   |   |   |   |   |   |                   |                 |
| In non-emergent situations, beneficiary can select a facility in their area that is or is not participating in the model. If the model is mandatory, beneficiaries in the selected area are not able to opt out of the model. | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✗                 | ✗               |
| Medicare Benefit Enhancements/Incentives  |   |   |   |   |   |   |                   |                 |
| <b>SNF Care Waiver</b><br>Medicare coverage is allowed for SNF care, without 3-day hospital stay.   | ✗ | ✓ | ✗ | ✗ | ✓ | ✗ | Depends on model. | Not applicable. |
| <b>Telehealth Waiver</b><br>Medicare coverage for telehealth is expanded to include additional care settings (e.g., home) in all geographic areas.  | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✓                 | Not applicable. |
| <b>Post-Discharge Home Visit Waiver</b><br>Medicare coverage for home visits after a hospitalization does not require direct physician supervision.   | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✓                 | Not applicable. |
| <b>Beneficiary Incentive Waiver</b>   | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓                 | ✓               |

|  |   |   |   |   |                               |                               |                            |                            |
|--|---|---|---|---|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Model participants are allowed to offer a service or product “in-kind” to a beneficiary that is related to the episode, but not typically covered by Medicare (e.g., transportation, meals, technology). |   |   |   |   |                               |                               |                            |                            |
| Independent Evaluations and Release Dates  |   |   |   |   |                               |                               |                            |                            |
| Evaluation Information   | <p><b>Econometrica, Inc.:</b></p> <ul style="list-style-type: none"> <li>May 2016: <a href="#">Annual Report 2015: Evaluation and Monitoring of the Bundled Payments for Care Improvement Model 1 Initiative</a></li> <li>July 2015: <a href="#">Annual Report 2014: Evaluation and Monitoring of the Bundled Payments for Care Improvement Model 1 Initiative</a></li> </ul> | <p><b>The Lewin Group:</b></p> <ul style="list-style-type: none"> <li>October 2017: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation &amp; Monitoring Annual Report</a></li> <li>August 2016: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation &amp; Monitoring Annual Report</a></li> <li>February 2015: <a href="#">CMS Bundled Payments for Care Improvement (BPCI) Initiative Models 2-4: Year 1 Evaluation &amp; Monitoring Annual Report</a></li> </ul> | <p><b>The Lewin Group:</b></p> <ul style="list-style-type: none"> <li>October 2017: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation &amp; Monitoring Annual Report</a></li> <li>August 2016: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation &amp; Monitoring Annual Report</a></li> <li>February 2015: <a href="#">CMS Bundled Payments for Care Improvement (BPCI) Initiative Models 2-4: Year 1 Evaluation &amp; Monitoring Annual Report</a></li> </ul> | <p><b>The Lewin Group:</b></p> <ul style="list-style-type: none"> <li>October 2017: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation &amp; Monitoring Annual Report</a></li> <li>August 2016: <a href="#">CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation &amp; Monitoring Annual Report</a></li> <li>February 2015: <a href="#">CMS Bundled Payments for Care Improvement (BPCI) Initiative Models 2-4: Year 1 Evaluation &amp; Monitoring Annual Report</a></li> </ul> | Evaluation not yet available. | Evaluation not yet available. | Not applicable – canceled. | Not applicable – canceled. |

## Sources and Footnotes

### Sources Used

- CMS overview page: [“BPCI Model 1: Retrospective Acute Care Hospital Stay Only”](#) (accessed June 26, 2017)
- Econometrica, Inc.: [Annual Report 2015: Evaluation and Monitoring of the Bundled Payments for Care Improvement Model 1 Initiative](#) (May 18, 2016)

- CMS overview page: [“BPCI Model 2: Retrospective Acute & Post Acute Care Episode”](#) (accessed June 26, 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation & Monitoring Annual Report](#) (October 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation & Monitoring Annual Report](#) (August 2016)
- CMS Fact Sheet: [“Bundled Payments for Care Improvement Initiative \(BPCI\)”](#) (April 18, 2016)
- CMS Fact Sheet: [“Bundled Payments for Care Improvement Initiative \(BPCI\) Fact Sheet”](#) (August 13, 2015)
- The Lewin Group: [CMS Bundled Payments for Care Improvement \(BPCI\) Initiative Models 2-4: Year 1 Evaluation &](#)

- CMS overview page: [“BPCI Model 3: Retrospective Post Acute Care Only”](#) (accessed June 26, 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation & Monitoring Annual Report](#) (October 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation & Monitoring Annual Report](#) (August 2016)

- CMS overview page: [“BPCI Model 4: Prospective Acute Care Hospital Stay Only”](#) (accessed June 26, 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 3 Evaluation & Monitoring Annual Report](#) (October 2017)
- The Lewin Group: [CMS Bundled Payments for Care Improvement Initiative Models 2-4: Year 2 Evaluation & Monitoring Annual Report](#) (August 2016)

- CMS overview page: [“Comprehensive Care for Joint Replace Model”](#) (accessed June 26, 2017)
- CMS: [Preliminary Performance Year 1 Reconciliation Payments](#) (accessed October 30, 2017)
- CMS overview page link: [“Hospital List”](#) (accessed July 10, 2017)
- CMS Proposed Rule: [“Medicare Program: Cancellation of Advancing Care Coordination Through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model \(CMS-5524-P\)”](#) (August 17, 2017)
- CMS Final Rule: [“Medicare Program: Cancellation of Advancing Care Coordination through Episode Payment and Cardiac Rehabilitation](#)

- CMS overview page: [“Oncology Care Model”](#) (accessed June 26, 2017)
- CMS Fact Sheet: [“Oncology Care Model”](#) (June 29, 2017)

- CMS overview page: [“Episode Payment Models: General Information”](#) (accessed June 26, 2017)
- CMS Proposed Rule: [“Medicare Program: Cancellation of Advancing Care Coordination Through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model \(CMS-5524-P\)”](#) (August 17, 2017)
- CMS Final Rule: [“Medicare Program: Cancellation of Advancing Care Coordination through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model: Extreme and Uncontrollable Circumstances Policy for the Comprehensive Care for Joint Replacement Payment Model”](#) (December 1, 2017)

- CMS overview page: [“Cardiac Rehabilitation \(CR\) Incentive Payment Model”](#) (accessed June 26, 2017)
- CMS Proposed Rule: [“Medicare Program: Cancellation of Advancing Care Coordination Through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model \(CMS-5524-P\)”](#) (August 17, 2017)
- CMS Final Rule: [“Medicare Program: Cancellation of Advancing Care Coordination through Episode Payment and Cardiac Rehabilitation Incentive Payment Models; Changes to Comprehensive Care for Joint Replacement Payment Model: Extreme and](#)

|  |  |  |  |  |   |  |  |  |
|--|--|--|--|--|---|--|--|--|
|  |  | <a href="#">Monitoring Annual Report</a> (February 2015) |  |  | <a href="#">Incentive Payment Models: Changes to Comprehensive Care for Joint Replacement Payment Model: Extreme and Uncontrollable Circumstances Policy for the Comprehensive Care for Joint Replacement Payment Model”</a> (December 1, 2017) |  |  | <a href="#">Uncontrollable Circumstances Policy for the Comprehensive Care for Joint Replacement Payment Model”</a> (December 1, 2017) |
|--|--|--|--|--|---|--|--|--|

| Sources and Footnotes |   |  |  |  |  |  |  |  |
|-----------------------|---|--|--|--|--|--|--|--|
|                       | <p><sup>1</sup> Spending for both BPCI and control group episodes declined relative to baseline, but BPCI savings reflect a greater decline in average episode payments for BPCI participants than comparison group. Estimates do not account for Net Payment Reconciliation Amounts (NPRA) or changes in episode volume.</p> <p><sup>2</sup> Spending during hospital readmissions is also included in the calculation of total spending for the episode, with some exceptions. Episode length varies by model.</p> <p><sup>3</sup> Drugs that overlap with non-malignant conditions are not included in the bundle. The portion of Part D drug costs that are not capitated are included in the episode baseline amount, such as the low-income cost sharing subsidy and 80% of the gross drug cost above the catastrophic threshold.</p> <p><sup>4</sup> Care management fees also support enhanced services, including patient access 24/7 to a clinician who has real-time access to patients’ medical records and certified electronic health record technology.</p> <p><sup>5</sup> In the OCM’s one-sided risk arrangement, providers do not owe Medicare if overall spending exceeds their target price. In both the one-sided and two-sided tracks, the performance-based payment is a function of performance on quality measures and savings.</p> |  |  |  |  |  |  |  |

*Last updated December 1, 2017*