CMS Releases Proposed Rule Cancelling Advancing Care Coordination through Episode Payment and Cardiac Rehabilitation Incentive Models and Changes to the Comprehensive Care for Joint Replacement Model

Late this afternoon, the Centers for Medicare and Medicaid Services (CMS) publicly released a proposed rule cancelling the Episode Payment Models—models for acute myocardial infarction (AMI), coronary artery bypass graft (CABG), and surgical hip/femur fracture treatment (SHFFT)—and the Cardiac Rehabilitation incentive payment model, which were scheduled to begin on January 1, 2018. The proposed rule would also rescind the regulations that would govern these models.

In addition, the proposed rule would prospectively make participation voluntary for all hospitals in 33 of the 67 Metropolitan Statistical Areas (MSAs) originally selected for participation in the Comprehensive Care for Joint Replacement (CJR) model and would also make participation voluntary for low-volume and rural hospitals in the remaining 34 mandatory geographic areas selected for participation in the CJR model. The mandatory MSAs were identified by CMS as having the highest average payments and they are listed in the proposed rule. CMS is also proposing several technical changes and clarifications for certain CJR model payment, reconciliation, and quality provisions. The changes to the CJR have been estimated by CMS to reduce savings from the model by approximately $90 million over the three remaining performance years of the model from 2018 through 2020. CMS notes that if voluntary participation were allowed in all of the 67 selected MSAs, the overall estimated model impact would no longer show savings, and would likely result in additional cost to the Medicare program.

The proposed rule cites a number of reasons for these changes: CMS believes that requiring hospitals to participate in additional episode payment models at this time is not in the best interest of the agency or the affected providers. CMS believes that many providers are currently engaged in voluntary initiatives with CMS, and the agency expects to continue to offer opportunities for providers to participate in voluntary initiatives, including episode-based models. CMS is concerned that engaging in large mandatory episode payment models may impede its ability to involve providers in future voluntary efforts. CMS also believes that reducing the number of providers required to participate in the CJR model will allow the agency
to better evaluate the effects of the model and give it greater flexibility to design and test other episode-based payment models.

A copy of the proposed rule is available here and the link to the CMS press release on the proposed rule can be found here.

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