EVALUATING CLINICAL EPISODE SERVICE LINE GROUPS in BPCI Advanced

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In September 2020, CMS threw participants of the Bundled Payments for Care Improvement Advanced program a curve ball when it announced they must participate in clinical episode service line groups (or "superbundles" as we have previously called these groupings of episodes).

Participants will no longer be able to select from 35 individual clinical episode categories. Instead, they will be required to choose from eight larger groupings consisting of multiple clinical episode categories.

This shift changes the landscape of participation in many ways. It increases the amount of episode cost that's at risk, broadens the need for clinical involvement in many episodes, and in some cases, significantly increases the scope of personnel, both clinical and managerial, involved in achieving program success.

We've previously written about the advantages of combining some individual BPCIA episodes into superbundles that in some cases will increase volume, reduce cost variation and leverage current care management strategies across a larger patient population. However, many of the CESLGs are quite broad, clinically dissimilar and combine clinically attractive episodes with those in which success is problematic.

While the episode groupings that may be selected are far less granular than the previous individual clinical episode categories, the same evaluation process should be used for CESLGs as was used for individual clinical episode categories.

As described in **this article by our partner, Singletrack Analytics**, the primary evaluation criteria are:

+ **clinical buy-in,**

meaning the active involvement and support of physicians and other clinical team members in the areas covered by the episode. Clinical buy-in also occurs when the participant has existing care management programs in the same areas as the CESLG;

+ **sufficient volume**

to create acceptable levels of financial risk and stability, and also to allow separating the effects of true changes in care from random variations in patient conditions and care requirements;

+ **actionable cost and readmission involvement,**

meaning costs that can be controlled by care management processes, as opposed to fixed costs that include the index Diagnosis Related Group payment to the hospital -- as well as a readmission rate that can be reasonably managed by the participant; and

+ **target prices that are within reach,**

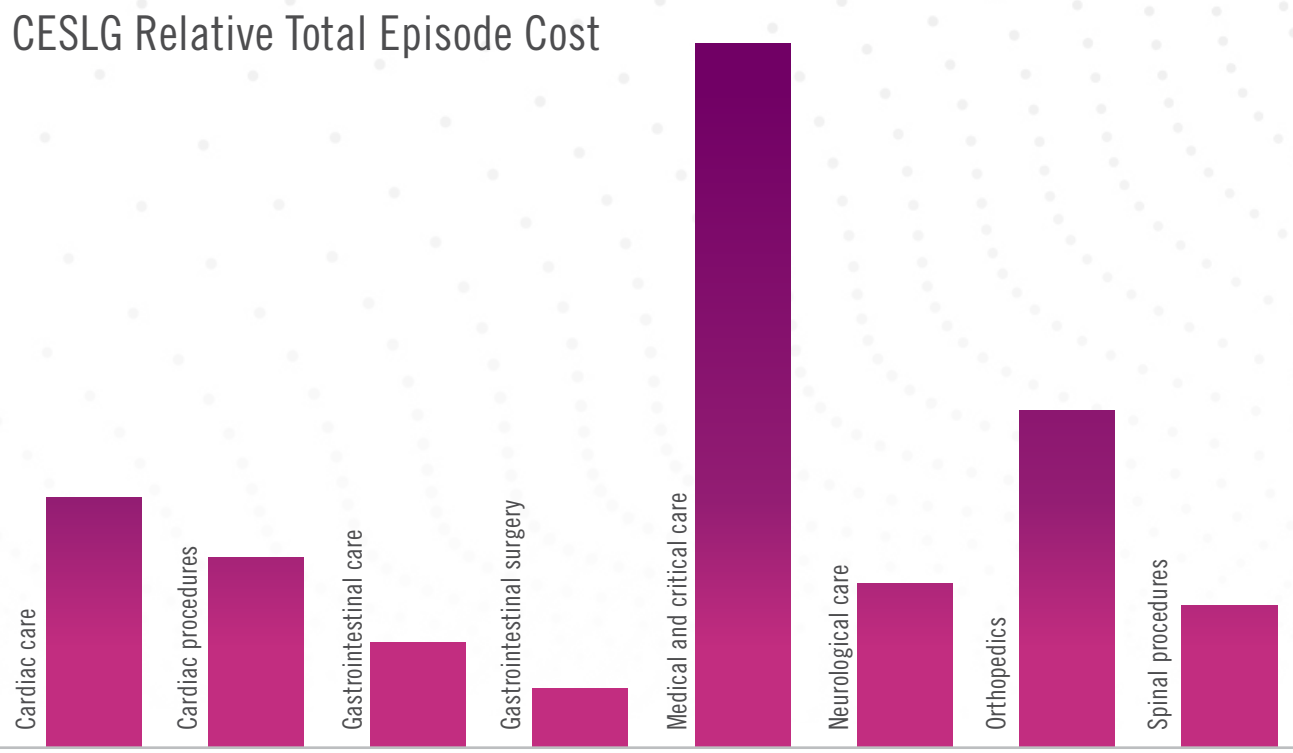
meaning understanding how much costs would need to be reduced to come below the target price for a CESLG. The retroactive adjustment in target prices during the performance period makes target prices less predictable.

Clinical buy-in

Clinical buy-in must encompass the full breadth of physician involvement needed to cover all of the episodes in the CESLG. Some CESLGs are relatively narrow in the scope of physicians who will be involved. For example, the Cardiac Care CESLG involves only cardiologists. However, patients in the Medical and Critical Care CESLG will require care from a broader variety of medical specialties in which clinical coordination may be more difficult to achieve.

Similarly, the Cardiac Procedures CESLG would require involving interventional cardiologists and cardiac surgeons, whereas previous participation in Percutaneous Coronary Intervention or Cardiac Defibrillator episodes involved only cardiologists.

Participants should evaluate each CESLG against their own medical staff teams to assess whether sufficient clinical support can be attained for each CESLG under consideration.



Sufficient volume

Occasionally, individual episodes didn't have sufficient volume to provide the financial and statistical stability necessary for effective management of those episodes. In CESLGs, this will be less of an issue because most will be sufficiently large to create stable volume. However, another problem arises with CESLGs: the significantly increased financial exposure of most CESLGs over the underlying episodes. Financial exposure can vary greatly across CESLGs and some could significantly increase the amount of episode cost at risk, which may not be acceptable to hospital financial management.

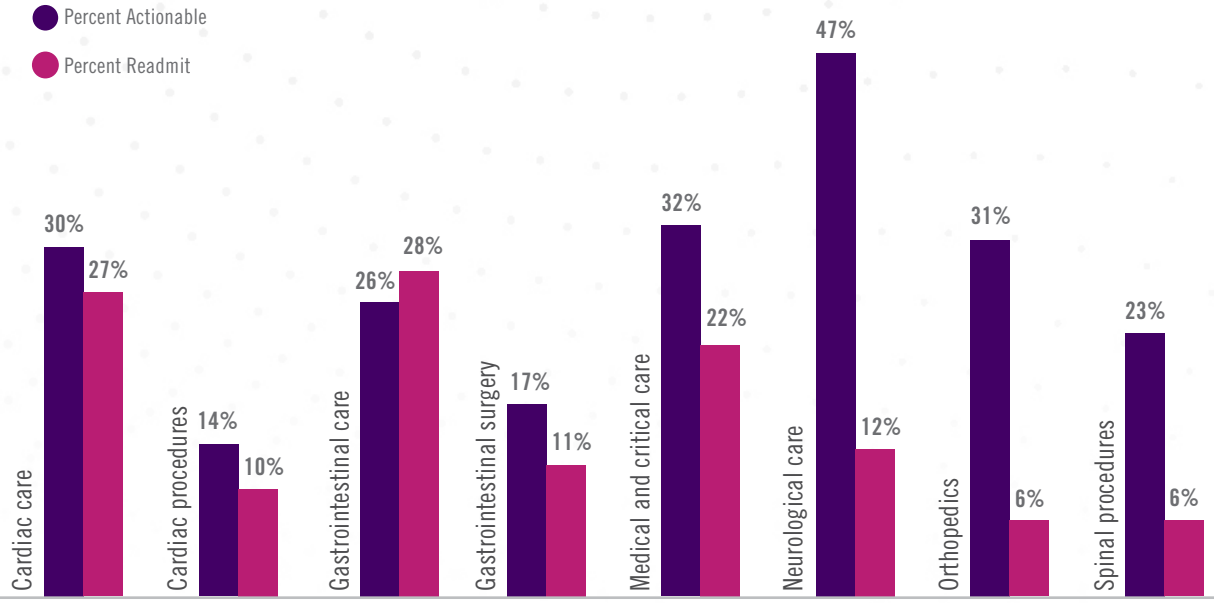
The financial results of a CESLG relative to individual clinical episode categories may also be different. For example, many participants chose the Sepsis clinical episode category, which often appeared to have attractive target prices. However, the other clinical episode categories in the Medical and Critical Care CESLG may have significantly less financial opportunity, and participation in that CESLG would likely have far different financial results from participating in Sepsis.

Actionable cost and readmission involvement

The percentage of episode cost that's mathematically actionable (as opposed to clinical "actionability," which depends on hospital-specific characteristics) varies significantly among CESLGs. As noted on the graph on page 4, the Cardiac Procedures CESLG has very little mathematical actionability owing to the relatively high index DRG and outpatient surgery payments combined with relatively limited post-surgical care. The Gastrointestinal Surgery CESLG is similar in this respect. This limits the attractiveness of these episodes.

The remaining CESLGs have greater amounts of post-acute care but further drill-down into those CESLGs during the episode selection process will be necessary to ascertain if the mathematical actionability will translate into clinical actionability; i.e., the ability to make clinical changes that

Actionability and Readmission Cost Precent by CESLG



will reduce those costs. Analysis of each participant's own data will be necessary for this step.

Managing readmissions is generally quite difficult and often involves significant individual physician action, as opposed to managing post-acute institutional care, which is often performed by other care management team staff. This means that it's more difficult to achieve success in CESLGs having high proportions of readmission cost.

Participation in CESLGs like Cardiac Care and Gastrointestinal Care will usually be more challenging than participation in procedure-based CESLGs such as Orthopedics and Spinal Procedures. To achieve success, organizations participating in CESLGs that have high readmission cost must have significant resources to manage readmissions.

Potentially advantageous target prices

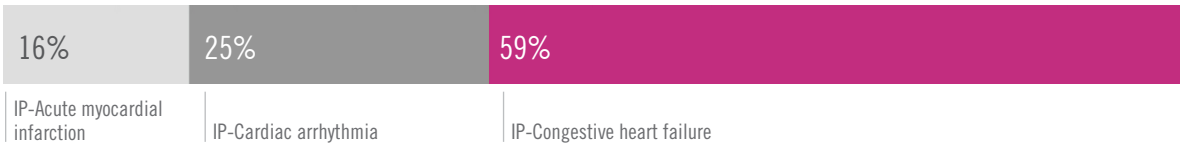
Selecting potentially advantageous target prices will carry less weight in CESLG selection because of the retroactive adjustments that will be made to target prices after the participation period has begun. Baseline data can be used to take a pulse on how far a CESLG is from its target price and if any of the costs during the episodes could be reasonably reduced or eliminated.

Characteristics of CESLGs

The new CESLGs are essentially bundles of bundles. To help participants understand proportionally by volume how much each former episode type is accounted for in the new CESLGs, we've put together this brief overview of the criteria for each of the CESLGs.

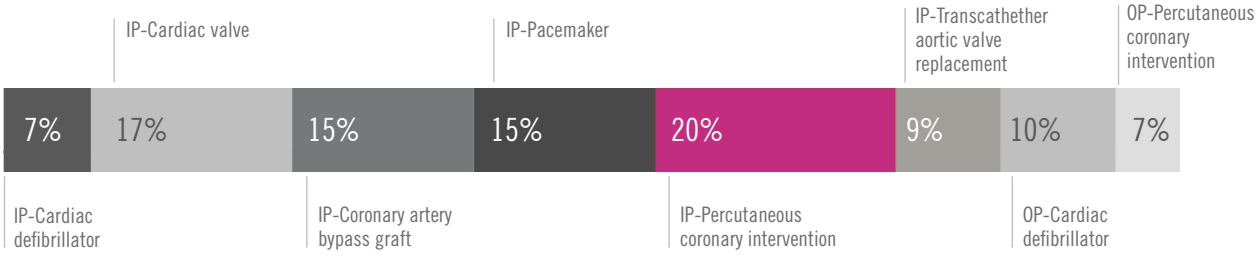
Cardiac Care

The three underlying clinical episode categories are clinically related and involve the same group of physicians. Actionable costs are relatively high although readmission costs are also significant. This CESLG is a good choice for participants in the Congestive Heart Failure episode.



Cardiac Procedures

This CESLG has little actionable cost since post-acute care is limited and index payments are high. It also requires involvement of both cardiac surgeons and interventional cardiologists, two different medical specialties who may be co-participants in a common service line. There's significant financial exposure with little opportunity for financial gain. This is generally not an attractive CESLG.



Gastrointestinal Care

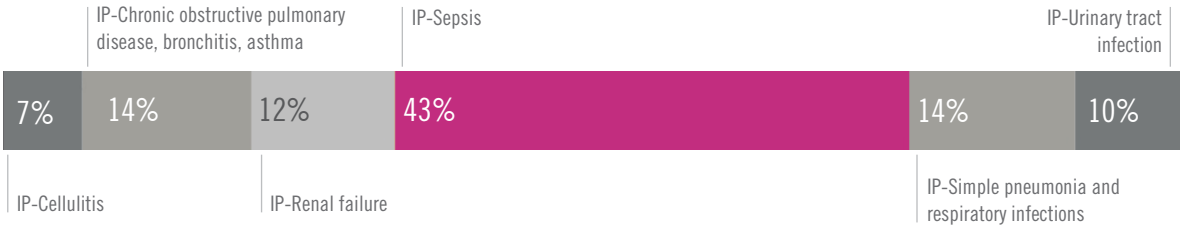
This CESLG involves patients with similar clinical characteristics and physician involvement. Actionable cost is high but so is readmission cost, so success in this CESLG will depend on the ability to manage both post-acute institutional care and readmissions. Further analysis will be important for each participant to investigate the DRGs in which readmissions are occurring to assess the possibility for reductions, but this CESLG might be attractive for participants with physician support in gastroenterology.

Gastrointestinal Surgery

This CESLG is composed primarily of the Major Bowel episode since Bariatric Surgery volume is low. Previous participants in the Major Bowel clinical episode category may find this CESLG attractive.

Medical and Critical Care

This CESLG is a collection of diverse clinical episode categories with few common characteristics and has by far the largest financial exposure (about one-third of the total cost of all BPCIA CESLGs). Patients' medical conditions vary significantly and many different physician specialties will be involved in their care. It may be difficult to get support from physicians and clinical teams in all of the specialty areas involved in treating these patients. A popular episode in this CESLG is Sepsis, which was frequently chosen because of advantageous target prices; however, attractive target prices are no longer a consideration in the selection process. Some organizations have developed an effective hospitalist/intensivist infrastructure that has successfully reduced cost in Sepsis episodes and that might be effective for other clinical episode categories. But for others, this CESLG will probably not be attractive.

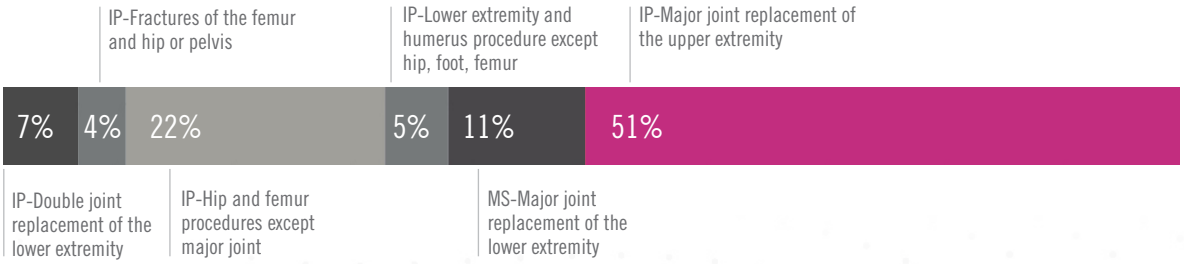


Neurological Care

The Stroke clinical episode category accounts for the majority of costs in this CESLG, with Seizures accounting for the remainder. Most patients in this CESLG will be treated by neurologists, which makes developing clinical support less difficult than in some others. There's significant actionable cost, most of which is in inpatient rehabilitation services, the reduction of which is the primary financial opportunity. There are also relatively low readmissions. This may be an attractive CESLG for previous participants in the Stroke clinical episode category.

Orthopedics

About half of the cost in this CESLG originates from Major Joint Replacement of the Lower Extremity episodes, with the remainder being in various other orthopedic surgical episodes. MJRLE episodes initially presented great opportunities during the BPCI and CJR programs; however, the significant care redesign that has occurred since then has considerably lowered the target prices for this clinical episode category making them extremely unattractive for BPCIA. For hospitals that have never participated in these clinical episode categories there's generally a substantial opportunity for cost savings, but unattractive target prices may again obviate those opportunities. Participants considering this CESLG will need to evaluate their own data against the target price information available at episode selection.



Spinal Procedures

This CESLG is composed primarily of the Spinal Fusion clinical episode category with lower numbers of inpatient and outpatient surgeries other than Spinal Fusion. Actionability is relatively high and readmissions are relatively low. This may be an attractive CESLG for hospitals with strong surgical support.

Achieving **program success**

The new CESLG requirement will have a major impact on participants in the BPCIA program. Ensuring participants choose the most advantageous episodes for their organization is vital because episode selection is a crucial factor for program success.

The selection criteria provided above are key starting points to making clinical episode decisions with care. Reach out to DataGen today for additional insight and to learn more about how you can best evaluate CESLGs at your organization during the episode selection period.

For more than 20 years, DataGen has been an essential partner to healthcare organizations across the country, illustrating the financial implications of payment policy changes and promoting a pragmatic view of how changes will affect revenue and profitability.

DataGen provides data analytics support to hospitals, health systems, state hospital associations and other healthcare groups across the nation as they strive to improve quality, outcomes and financial performance.

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