The CMS Bundled Payment Initiative: Providers Can Apply to Participate in a Mini-ACO Initiative

Last week the U.S. Department of Health and Human Services (HHS) announced a new initiative to help improve care for patients while they are in the hospital and after they are discharged. Doctors, hospitals, and other health care providers can now apply to participate in a new program known as the Bundled Payments for Care Improvement initiative (Bundled Payments initiative). Made possible by the Affordable Care Act, it will align payments for services delivered across an episode of care, such as heart bypass or hip replacement, rather than paying for services separately. Bundled payments will give doctors and hospitals new incentives to coordinate care, improve the quality of care and save money for Medicare.

"Patients don't get care from just one person – it takes a team, and this initiative will help ensure the team is working together," said HHS Secretary Kathleen Sebelius. "The Bundled Payments initiative will encourage doctors, nurses and specialists to coordinate care. It is a key part of our efforts to give patients better health, better care, and lower costs.

Payment bundling is the future

In Medicare currently, hospitals, physicians and other clinicians who provide care for beneficiaries bill and are paid separately for their services. This Centers for Medicare & Medicaid Services (CMS) initiative will bundle care for a package of services patients receive to treat a specific medical condition during a single hospital stay and/or

recovery from that stay – this is known as an **episode of care.** By bundling payment across providers for multiple services, providers will have a greater incentive to coordinate and ensure continuity of care across settings, resulting in better care for patients. **Better coordinated care can reduce unnecessary duplication of services, reduce preventable medical errors, help patients heal without harm, and lower costs.**

The Bundled Payments initiative is being launched by the new Center for Medicare and Medicaid Innovation (Innovation Center), which was created by the Affordable Care Act to carry out the critical task of finding new and better ways to provide and pay for health care to a growing population of Medicare and Medicaid beneficiaries.

Four bundled payment models

Released today, the Innovation Center's Request for Applications (RFA) outlines four broad approaches to bundled payments. Providers will have flexibility to determine which episodes of care and which services will be bundled together. By giving providers the flexibility to determine which model of bundled payments works best for them, it will be easier for providers of different sizes and readiness to participate in this initiative.

Three models involve a retrospective bundled payment arrangement, and one model would pay providers prospectively. Through the Bundled Payments initiative, providers have great flexibility in selecting conditions to bundle, developing the health care delivery structure, and determining how payments will be allocated among participating providers.

"This Bundled Payment initiative responds to the overwhelming calls from the hospital and physician communities for a flexible approach to patient care improvement," said CMS Administrator Donald Berwick, M.D. "All around the country,

many of the leading health care institutions have already implemented these kinds of projects and seen positive results."

Cost savings for Medicare and for patients

The Bundled Payments initiative is based on research and previous demonstration projects that suggest this approach has tremendous potential. For example, a Medicare heart bypass surgery bundled payment demonstration saved the program $42.3 million, or roughly 10 percent of expected costs, and saved patients $7.9 million in coinsurance while improving care and lowering hospital mortality.

"From a patient perspective, bundled payments make sense. You want your doctors to collaborate more closely with your physical therapist, your pharmacist and your family caregivers. But that sort of common sense practice is hard to achieve without a payment system that supports coordination over fragmentation and fosters the kinds of relationships we expect our health care providers to have," said Dr. Berwick.

Letter of Intent to participate due in September

Organizations interested in applying to the Bundled Payments for Care Improvement initiative must submit a Letter of Intent (LOI) no later than September 22, 2011 for Model 1 and November 4, 2011 for Models 2, 3, and 4. For more information about the various models and the initiative itself, please see the Bundled Payments for Care Improvement initiative web site **here**.

Resources

Interested parties may obtain answers to specific questions by

e-mailing CMS at **BundledPayments@cms.hhs.gov**.

This initiative is part of a broader effort by the Obama Administration to improve health, improve care, and lower costs. A brief summary of other efforts, including those authorized by the Affordable Care Act, can be found **here.**

For more information about the CMS Innovation Center **click here**.

Additional information:

HHS fact sheet

Federal Register Posting

Scanning Charts into an EMR: Questions to Guide Your Action Plan for Conversion

Most managers long for the end of paper charts and the day when all of our data is at our fingertips. Lost charts waste so much time and effort in the practice that an EMR seems destined to offer major improvements in efficiency. But getting converted from paper charts to EMR can be a rocky road, with one of the biggest obstacles being scanning current patient paper charts.

There is no single accepted best practice for scanning charts into an EMR, as a conversion game plan must be specific to each individual practice and coordinated with the new record's

training and go-live.

Every group has to decide which date range and type of charts to scan prior to go live, and additionally which data points will need to be preloaded (or sometimes called “back-loaded”).

To assess your group’s situation and develop your document and data-capture plan, consider the following for your group.

1. What type of patient visits are normally seen?
    - very limited number of visits (example: plastic surgery)
    - limited number of visits surrounding a care episode (example: orthopedics)
    - recurring visits, multiple per year (example: primary care)
    - annual visits over multiple years (example: gynecology)
2. What is the gap between the visit being scheduled and the patient being seen?
    - Months
    - Weeks
    - Days
    - Hours
3. Which patient charts will be scanned?
    - All
    - Seen in the past year, two years, five years, etc.
    - Patients with a specific diagnosis
    - Patients scheduled for appointments in the two weeks before go-live
4. What portion of the charts will be scanned?
    - Last visit
    - Last test reports
    - Last year of visits and tests
    - Procedure and OR reports
    - Advance directives
5. What data will be pre-loaded or backloaded?
    - Past medical history, problem list, medication

list, allergies
    - Last episode of care
    - Last 3 months, 6months, one year
    - Last two years
6. Do you have any current capacity for scanning and/or data backloading?
    - Current medical records, front-desk staff, or clinical staff
    - Current prn or seasonal staff
    - Temporary Staff
    - Outsourced
7. How will scanned and/or backloaded data be identified and distinguished?
    - Filing scanned and unscanned charts separately
    - Wrapping the scanned charts with a colored file folder
    - Stamping the scanned documents (date/initials)
    - Inserting a colored strip of paper into the chart identifying the stage of the scanning
    - Inserting a scanning log into the chart
8. What will you do with the chart once it is partially electronic?
    - Scan the balance of the chart outside the EMR and shred the chart
    - Keep the chart stored onsite
    - Store the chart offsite

Answering these questions will help you to determine the right plan for you and your group to scan your paper into an EMR.

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