

One Minute Memo®



CMS Proposes to Cancel Medicare Episode Payment and Cardiac Rehab Incentive Payment Models, and to Cut Back Joint Replacement Model

By William B. Eck

On August 17, 2017, the Centers for Medicare and Medicaid Services (CMS) under the Trump administration published a proposed rule to cancel Medicare's hospital Episode Payment Models (EPMs) and Cardiac Rehabilitation (CR) incentive payment models, and to rescind the related Obama-era regulations. In addition, CMS proposed to revise certain aspects of the Comprehensive Care for Joint Replacement (CJR) model. The CJR changes would reduce the number of mandatory hospital participants in CJR by approximately 1/2, and create a one-time voluntary option to participate in CJR for hospitals whose participation was mandatory but will become voluntary under the proposed rule. The opt in will also apply to rural hospitals and low volume hospitals in the MSAs to which CJR applies.

EMPs and CR

CMS had previously established 3 bundled payment models for acute myocardial infarction, coronary artery bypass graft, and surgical hip/femur fracture treatment. As noted, CMS proposes to cancel these models. CMS concluded, based on stakeholder feedback, that certain aspects of the design of the EPMs and CR incentive payment model should be improved and more fully developed prior to the start of the model, and to start the model as previously scheduled would not be in the interest of providers or beneficiaries.

In 2018, CMS expects to develop new, voluntary bundled payment models in which providers may elect to participate. Those models would be designed to meet the criteria to be Advanced Alternative Payment Models. Hospitals should monitor the CMS Center for Innovation regarding the proposal of these new models.

CJR

CMS is proposing that the CJR model would continue on a mandatory basis in approximately 1/2 of the originally selected MSAs (that is, 34 of the 67 selected areas) with an exception for low volume and rural hospitals, and continue on a voluntary basis in the other areas (that is, 33 of the 67 areas). The mandatory and voluntary MSAs are listed in the August 17, 2017 Federal Register at pages 39315-39316. Low volume and rural hospitals, and hospitals located in a voluntary MSA, may opt in to CJR on a one-time basis from January 1, 2018 through January 31, 2018. Hospitals for which CJR participation is no

longer mandatory (as well as rural and low volume hospital) should assess, between now and January, 2018, whether it is advantageous to opt in to CJR.

Comments to the proposed rule are due by October 16, 2017.

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