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Post-Acute Care Providers Ponder Role in BPCI Advanced

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As CMS's approach to Alternative Payment Models continues to evolve, most recently with the release of BPCI Advanced, post-acute care providers may be left scratching their heads as they try to determine where they fit. An evaluation of Year 3 of the BPCI program, released in October 2017, identified shortened skilled nursing facility (SNF) stays as a primary driver of savings under both BPCI Model 2 and Model 3. Shorter SNF stays, and more efficient use of other types of post-acute care, will likely continue to drive savings for BPCI Advanced participants. Despite the role post-acute care (PAC) providers play in reducing costs, the updated iteration of the BPCI program reduces opportunities for them to benefit from the reductions in costs that they help to generate. Nonetheless, under BPCI Advanced, cooperating with participating physicians and hospitals to coordinate care for beneficiaries during BPCI episodes will remain important for SNFs and other PAC providers.

Under BPCI Advanced, similar to Model 2 of the current program, an episode of care (Clinical Episode) is initiated by a stay in an acute-care hospital. The Clinical Episode continues for 90 days following discharge, meaning that PAC providers will likely have a significant role to play in coordinating care and controlling costs. However, while the current BPCI program includes opportunities for PAC providers to act as Episode Initiators and to bear risk for episodes involving their own patients, under BPCI Advanced, PAC providers may only bear risk as Convener Participants. Only hospitals and physician groups may act as Episode Initiators and, therefore, qualify as Participants in BPCI Advanced.

A Convener Participant facilitates care coordination among various Participants and other providers during the Clinical Episode. PAC providers acting as Convener Participants would bear risk for all Clinical Episodes involving affiliated Participants, not just episodes involving their own patients, injecting a degree of uncertainty into potential benefits. However, since Convener Participants must demonstrate their ability to bear the financial risks involved, smaller independent PAC providers may be unable to act in this capacity. Others may be hesitant to take on financial risks for episodes in which they do not provide care directly. That said, PAC providers – particularly large networks of PAC providers with the capacity to bear financial risk – could choose to become Convener Participants, thus ensuring a share of the benefits of reduced costs and providing an opportunity to solidify relationships with hospitals and physician group Participants acting as Episode Initiators.

Despite the limitation on opportunities for direct participation in BPCI Advanced, the updated model does present opportunities for PAC providers. BPCI Advanced allows Participants and Convener Participants to enter into Financial Arrangements to share Net Payment Reconciliation Amounts (NPRAs) with PAC providers (and others) through NPRA Sharing Agreements. However, under the current BPCI program, providers have rarely indulged in available gainsharing opportunities and physicians are the most likely to benefit.

Regardless of whether a PAC provider decides to act as a Convener Participant or enter into a Financial Arrangement for NPRA sharing, maintaining good relationships with BPCI Advanced Participants will be important to PAC providers. Because achievement of certain quality measures will factor into calculations of NPRAs, PAC providers that are willing to cooperate in quality improvement programs and active care coordination will be preferable partners for Participants. Thus, PAC providers will have an even more prominent role in achieving cost savings goals, even if they are not directly participating in the program.