Getting Started with Bundled Payment for Orthopedics

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Background

- Hoag Orthopedic Institute [HOI]
  orthopedichospital.com / hoioutcomes.com
- Orthopedic Surgery Center of Orange County [OSC]
  OSCOC.com
- First global in 2008/09 - OSC
- Global TPA – OSC
- Global cash -OSC
- Bundled pilot – HOI
- Commercial bundle – HOI
- > 250 global and bundled episodes
Our objectives

- Create change in payment model
- Improve care
- Align providers
- Provide value
- Volume
- Demonstrate success
A bundled payment is an all inclusive price that covers the cost of facility and professional services related to a specific procedure over a specified period of time that may or may not include a warranty.
Bundled example

- Total knee arthroplasty
- DRG 470
- CPT – 27447
- ICD – 81.54
- Episode – admission > 90 days
- Includes all care related to index procedure
- Excludes – SNF, Home Health, care and procedures not related to index procedure, bilateral procedures

Admission > discharge > post op care up to 90 days
Global example

- Total knee arthroplasty
- DRG 470
- CPT – 27447
- ICD – 81.54
- Episode – admission > discharge
- Includes all care related to index procedure during hospital stay
- Excludes – care following discharge and procedures not related to index procedure, bilateral procedures

Admission > discharge
Team

- Team selection
  - Clinical
  - Administration
  - Support services
- Roles
- Communication
- Meetings
- Reporting
Team

Hospital/facility

Coordinator / project lead – connect the dots
- Physicians
  - surgeon
  - anesthesia
  - Internist
- Nursing
- Administration
  - Contracting
  - Revenue cycle
  - Benefits
  - Registration
Professional

Coordinator – liason with hospital
- MD office lead
  - Revenue cycle
  - contracting
  - benefits
  - patient coordinator
- Anesthesia
- Internist
- Other
Team

Patient

Communicate
  what
  why
  how
  when

Educate
Episode 13

• Procedure
  o Predictable
  o High volume
  o Known cost
  o Known outcomes
• Included
• Excluded
• Time line
• Warranty
Manage risk

Patient selection

- Safe surgery
- Health status
  - BMI <38
  - ASA 1-2, 1-3
  - Medical history
Manage risk

Providers

- Volume
- Quality
- Outcomes
- Cost
Warranty

- Length
- Inclusions
- Exclusions
- Manage risk
- Provider data
- Self insured
- Re insurance
- Manage timeline
Outcomes

- Quality benchmarks
- Volume
- ALOS
- SSI
- DVT/PE rate
- Re admission
- Claims
Manage cost

- Reduce waste
- Do what is necessary/best practice
- Consider outcomes & risks
- Know cost data per provider
- Standardize
- Work with vendors
- Share savings
Payers

- Commercial
- Employers
- Private pay
What do they want?
Payer roadblocks
Payer concerns
How will they benefit?
Claims

- Align all providers
- Pricing
- Data
- Who will manage claims?
- Who will manage payments?
- Process
- Contract between providers
- Risk pool?
Claims

- Pre procedure
- Post procedure/episode
- One claim / multiple providers
- One check / multiple providers
- Coordination
- Payer concerns
Communication

Bundled alert!

facility

surgeon

Other professional providers
Communication

- Patients
- Providers
- Episode start > end
- Outliers
Care redesign

- Align providers
- Claims management
- Share risk
- Standardize care
  - Navigators
  - Pre admission screening
  - Infection prevention
  - Transfusion rates
  - Vendors
Provider contracting

- Facility
- Surgeon
- Surgeon assistant
- Anesthesiologist
- Other
  - Hospitalist
  - Radiologist
  - Pathologist
  - Cardiologist
Benefits

- Improve quality and outcomes
- Reduce cost of care
- Change from FFS
- Payers/employers want
  - Solutions & change
  - Price predictability
  - Reduced costs
  - Risk sharing
- Alignment
- Share in savings & success
Early Road blocks

- Communication
- Payers
- Providers
- Knowing costs
- Knowing data/outcomes
- Process change
- Risk sharing
- Price setting
- Claims management
- Warranty
- Risks
Monitoring success

- Monthly reports
  - Revenue cycle
  - Performance improvement
  - Peer review
Getting started

- True & trusted leaders
- Payers
- Procedure
- Length of episode
- Warranty
  - Inclusion
  - exclusion
- Providers involved
- Data
- Rates
- Claims management
- Outcomes
Getting started

- Cash global
- Commercial global or bundled arrangement
- Employer global or bundled arrangement
- Consider a pilot
- Start small
In a nutshell

- Align providers
- Build the team
- Select high volume, predictable procedures
- Patient selection criteria
- Define the episode of care – start to finish, what it includes
- Determine the bundle price, what it includes and excludes
- Provider selection criteria
- Define quality metrics to be met and monitored
- Determine who will manage claims and payments
- Identify interested payers
- Educate
- Monitor the program
- Communication
- Keep it simple
THANK YOU!