



## Bundled Payment Models for Hip and Knee Replacement

**September 24th, 2015**

As reported by Modern Healthcare, “Starting Jan. 1, 2016 nearly 800 hospitals in 75 markets across the country will be required under the proposal to accept bundled payments covering all services for hip and knee replacement procedures, starting with hospital admission and extending for 90 days<sup>1</sup>.” All remaining hospitals will be required to participate starting January, 2017. It takes time to prepare to maximize your financial and operational results, so let’s get started.

At Marcia Friesen & Associates, our team members are experts who can help you transition your hip and knee replacement services from fee-for-service to a value-based model by designing a customized bundled payment program. Using the IHI Triple Aim objectives and key performance measures, our proprietary program aligns and engages key stakeholders, physicians, and caregivers with their customized bundled payment program. We establish open communication and implement industry best practices to standardize the episode of care process, resulting in reproducible and measurable outcomes. We then implement key performance metrics to ensure long term success. Our methodology includes a customized approach based on the health system’s vision, payer and patient’s culture. We have industry expertise in bundled payments, best practices, standardization of service line processes and the episode of care, and payer contract negotiations.

### **HOW TO REDUCE YOUR RISK & BENEFIT FROM BUNDLED PAYMENTS**

- ✓ Establish predictability by standardizing the episode of care to reduce risk, resulting in transparent, measurable and reproducible outcomes, an exceptional patient experience, improved efficiencies, and cost reductions
- ✓ Establish engagement and communication between the hospital, stakeholders, caregivers, physicians and surgeons aligned with the vision
- ✓ Prepare the hospitals accounting system for single claim payments
- ✓ Negotiate with payers the parameters on patient selection and eligibility and episode of care
- ✓ Provide procedure specific data and claims data vs. national data to Payers for bundled payment negotiation
- ✓ Establish a system to deal with complications
- ✓ Establish Program Performance Evaluation Metrics and Provider Quality Metrics to measure and monitor the overall quality of care, cost effectiveness and performance of the bundled payment program

### **KEY CHALLENGES**

- ✓ Hospitals fear of financial risk
- ✓ Surgeons fear of fee reductions
- ✓ Accounting Infrastructure – Transition to handle single claim payments and organize claims data in order to negotiate pricing with the payer
- ✓ Physician Engagement – Provide Physician and Caregiver Education Sessions
- ✓ Standardize the Episode of Care
- ✓ Legal Contracts
- ✓ Transparency of Data

At Marcia Friesen & Associates, our proprietary program incorporates the value-based model and bundled payment program to strategically align with the IHI Triple Aim objectives – improving the patient experience, decreasing per capita costs, and improving the health of the population.

Contact us at 312.285.1574 to schedule a 30 minute complimentary webinar or conference call to discuss how we can help you achieve success.

<sup>1</sup>Evans, Melanie. “Bundling risk: New demo programs shows CMS’ eagerness to ditch fee for service” Modern Healthcare. July 18, 2015. Web. August 17, 2015.