

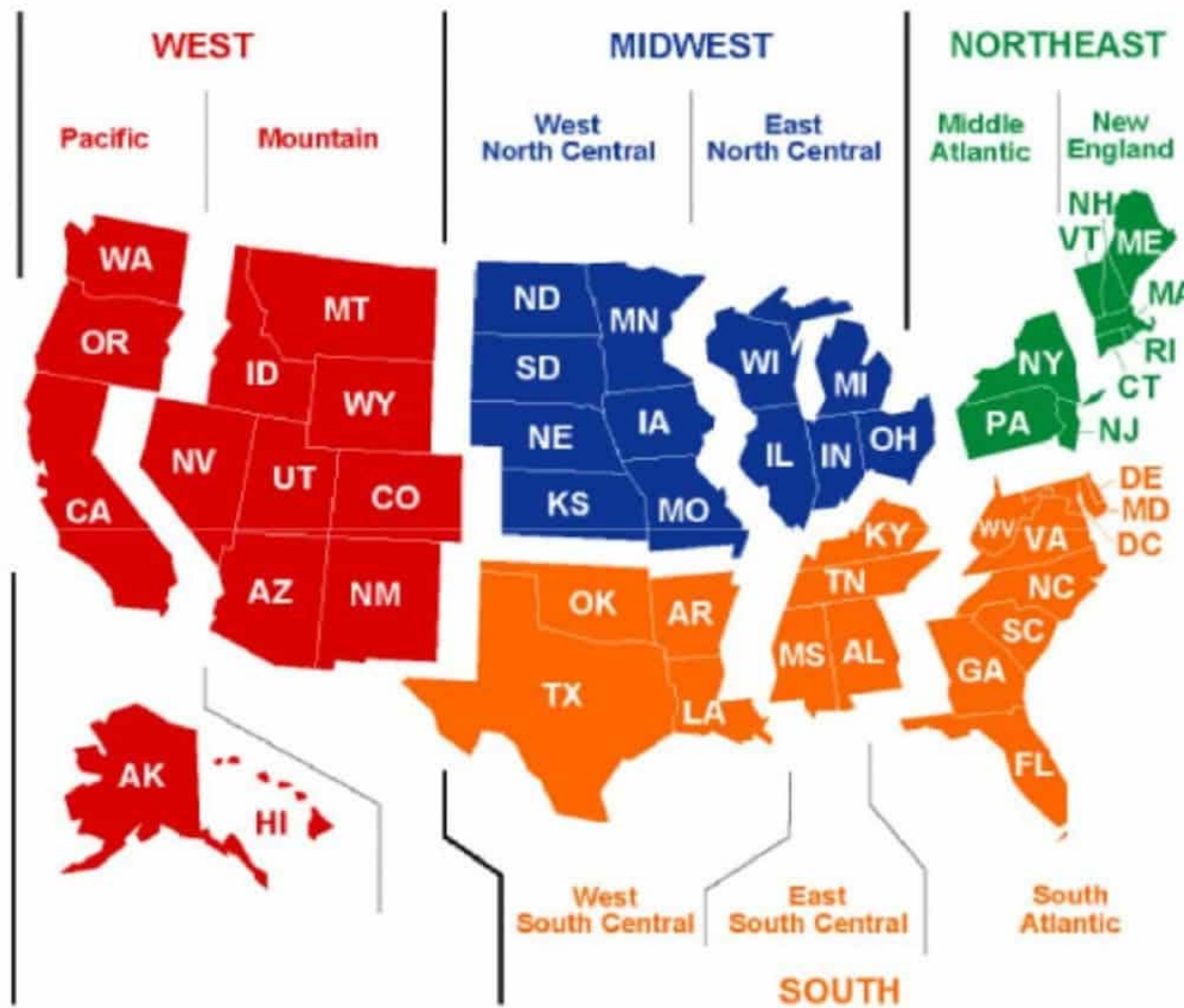
CJR Program

Darcie Hurteau
Senior Director
DataGen

Agenda

1. Mandatory in NJ
2. Target Transition
3. TKA IPO
4. Evaluating Opportunity

CJR in New Jersey



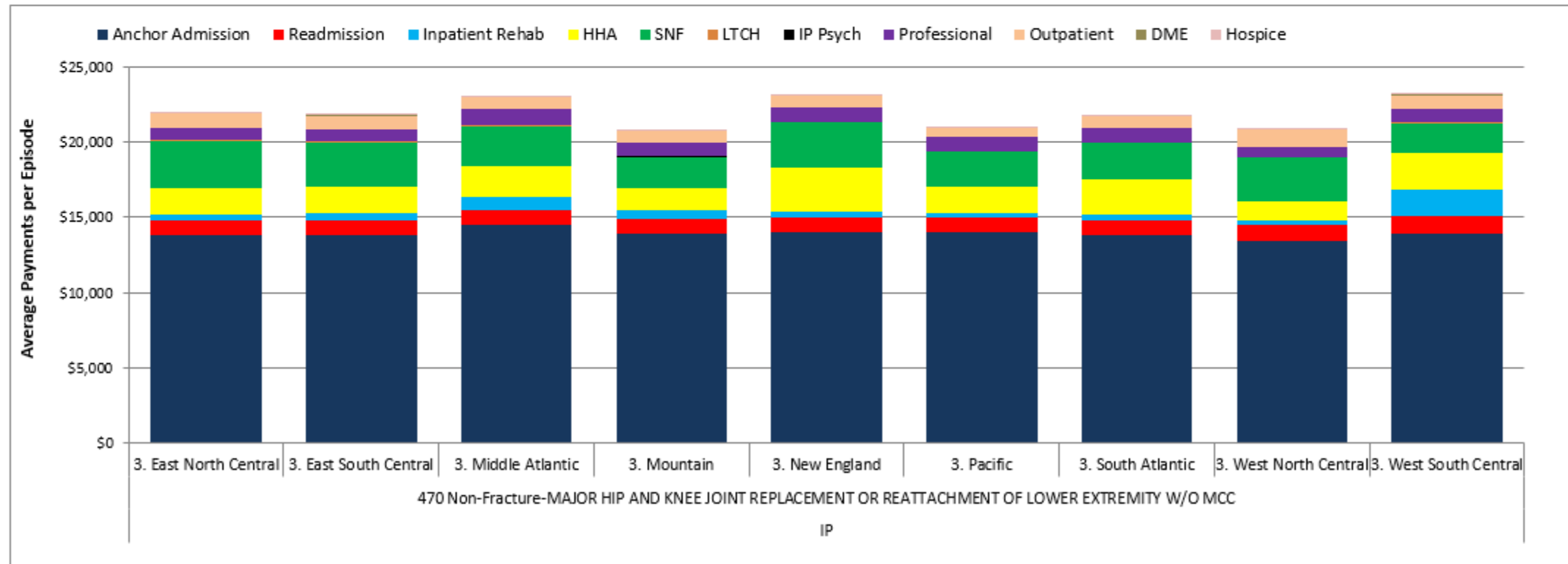
Census Region Comparison



90 Day Benchmark Comparisons

Payments reflect actual payments excluding IME, DSH, VBP, Readmissions and HAC penalties, are neutralized for wage adjustments, are prorated, exclude unrelated services and readmissions, and are not trimmed for episode outliers.

Data Source: 2014 - 2016 100% Medicare Standard Analytic Files. 2014 and 2015 include 12 months of episodes; to properly include a full 90 days of post-discharge claims, 2016 data includes the first 7 months of episodes.

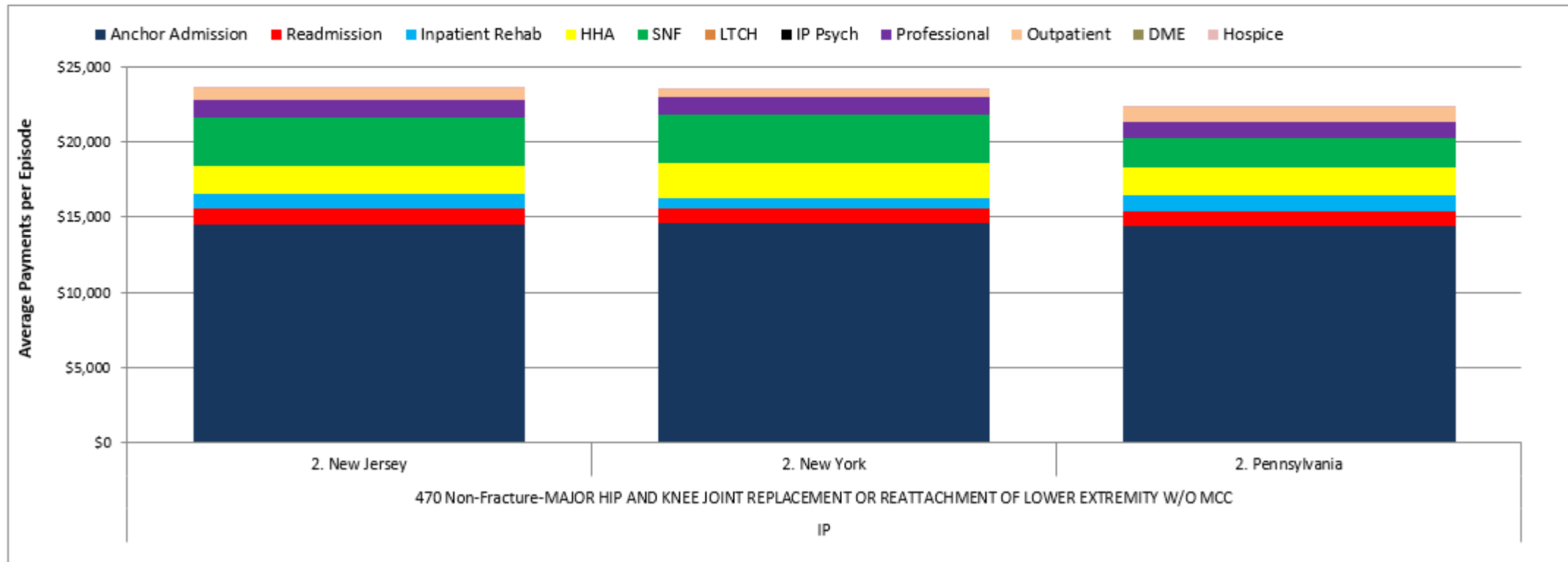


State Comparison

90 Day Benchmark Comparisons

Payments reflect actual payments excluding IME, DSH, VBP, Readmissions and HAC penalties, are neutralized for wage adjustments, are prorated, exclude unrelated services and readmissions, and are not trimmed for episode outliers.

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Program Year 1

Preliminary PY 1 Results

- 48% received reconciliation payments

Region	Number of Hospitals with Positive Reconciliation	Average Episode Positive Reconciliation Amount	Minimum Episode Positive Reconciliation Amount	Maximum Episode Positive Reconciliation Amount
East South Central	12	\$950	\$102	\$1,175
Middle Atlantic	87	\$1,470	\$84	\$3,591
Mountain	20	\$1,021	\$64	\$2,047
New England	3	\$974	\$106	\$1,466
Pacific	73	\$1,261	\$70	\$3,405
South Atlantic	60	\$977	\$180	\$2,434
West North Central	30	\$731	\$65	\$1,310
West South Central	43	\$1,016	\$122	\$1,526
Total	382	\$1,134	\$14	\$3,591

Source: innovation.cms.gov/initiatives/cjr

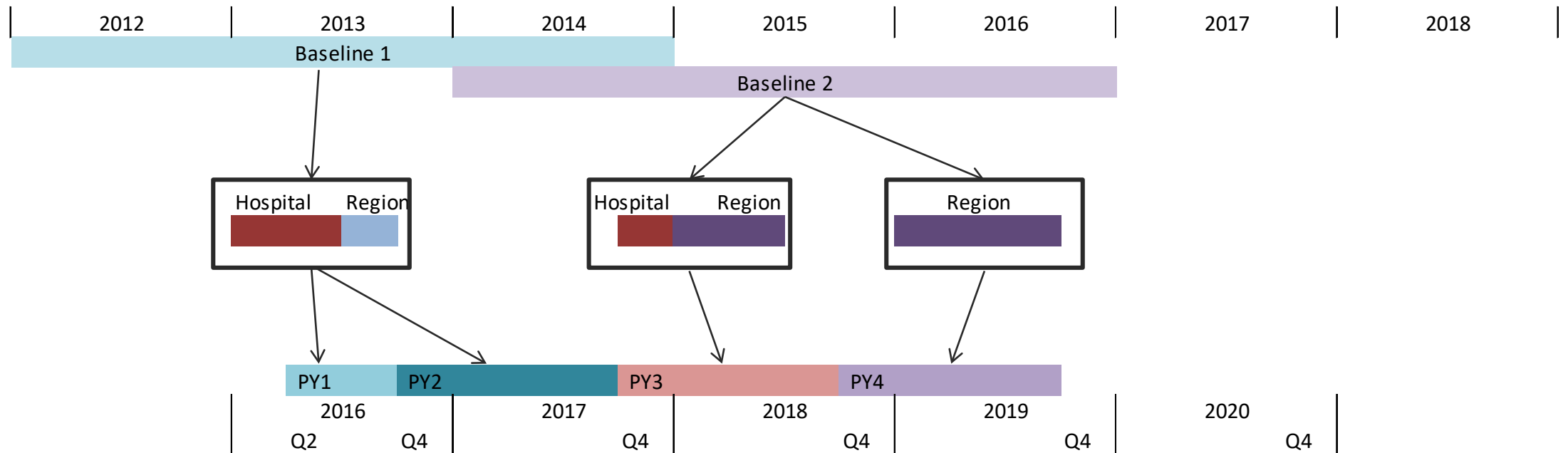
Regional Targets

Targets

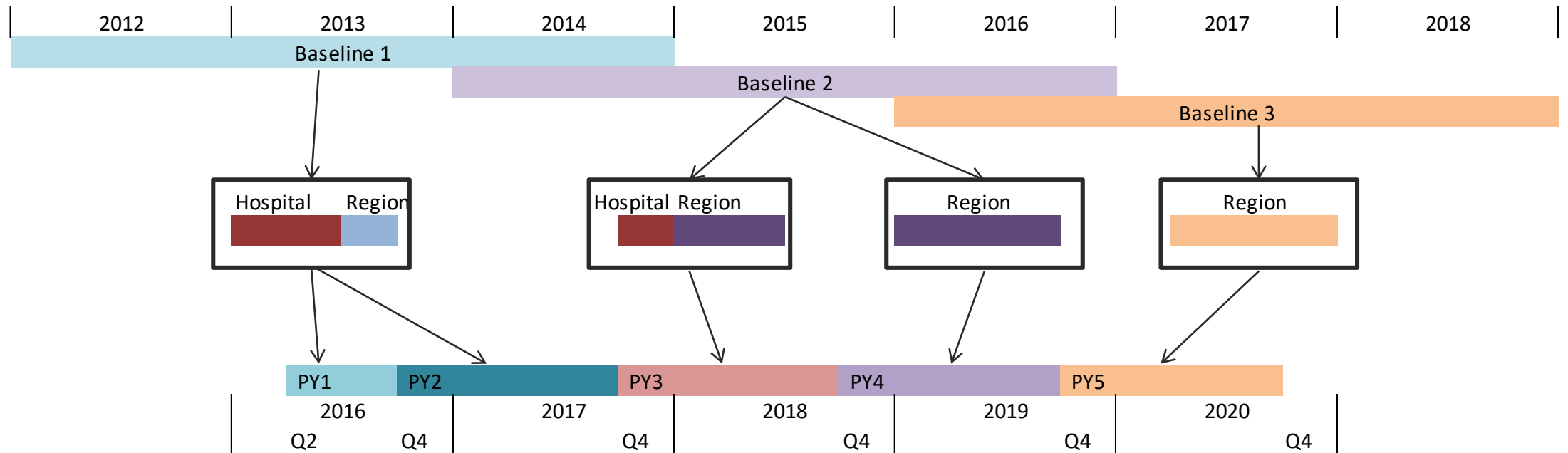
- Derived from a 3 year *moving* baseline
- Transition to regional target

Target Price Components	Performance Year				
	1	2	3	4	5
Hospital-specific Data	2/3		1/3	0%	
Regional Data	1/3		2/3	100%	
Baseline Period	CY 2012 - 2014		CY 2014 - 2016		CY 2016 - 2018

Target Baseline 2



Target Baseline 3



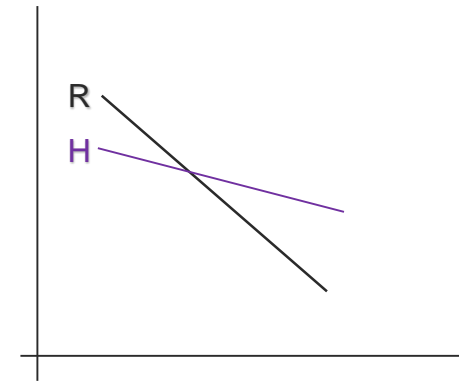
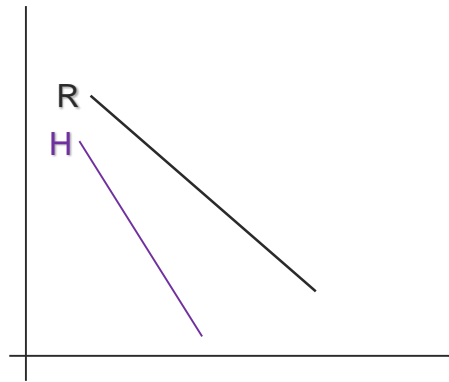
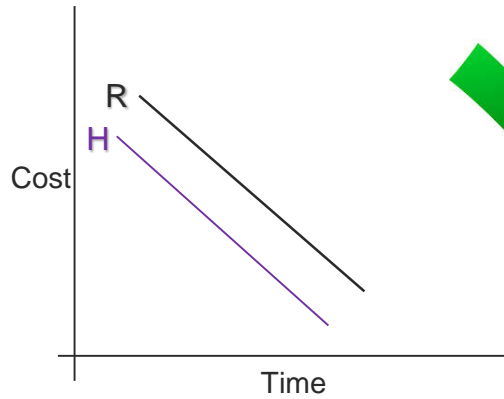
Scenarios

Rate of change **equal to** region

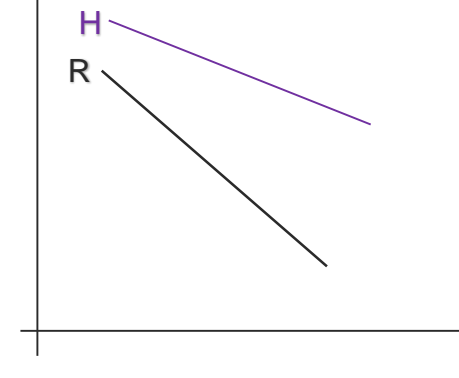
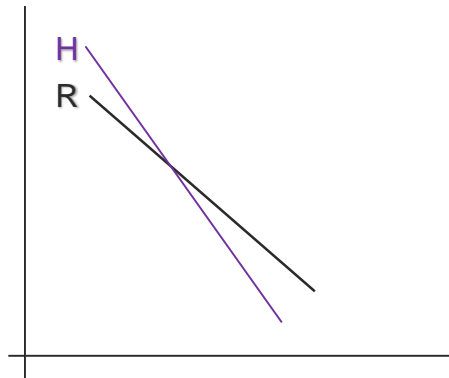
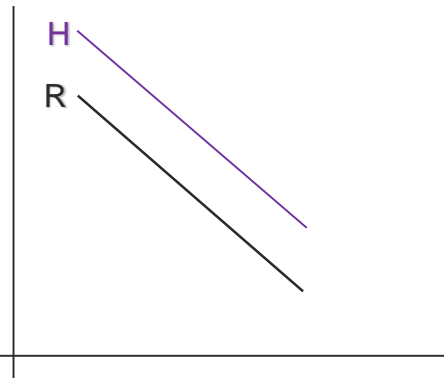
Rate of change **greater than** region

Rate of change **less than** region

Hospital Starts **more efficient** than region



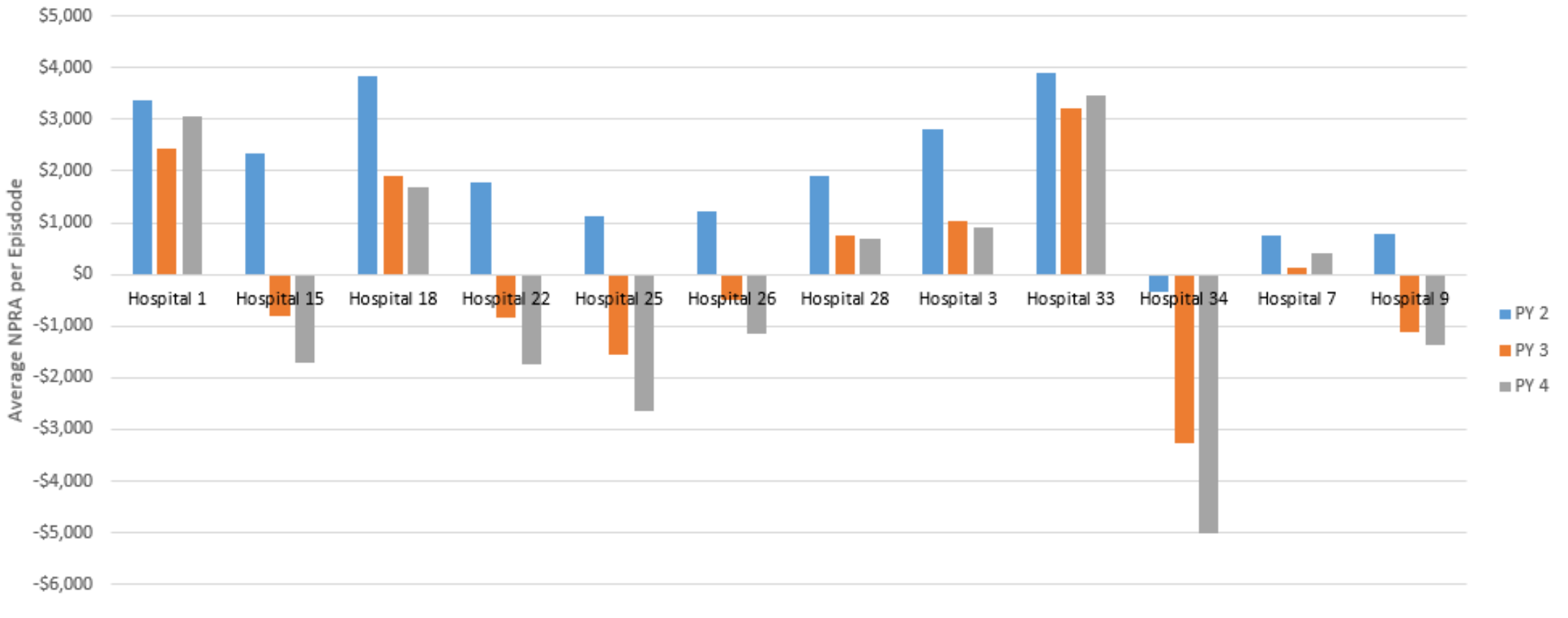
Hospital Starts **less efficient** than region



Regional Average Episode Change Baseline 1 to Baseline 2 DRG 470 Non-Fracture

Region	Reduction in Regional Episode Spend
MIDDLE ATLANTIC	-4.8 %
SOUTH ATLANTIC	-4.7 %
EAST NORTH CENTRAL	-4.4 %
PACIFIC	-4.3 %
MOUNTAIN	-4.3 %
NEW ENGLAND	-4.1 %
EAST SOUTH CENTRAL	-3.2 %
WEST NORTH CENTRAL	-3.0 %
WEST SOUTH CENTRAL	-2.8 %

DRG 470 Non-Fracture Performance Variance PY2 to PY4*



*Episode payments held constant at PY2

Regional Targets

Regional Historical Payment Amounts Used to Calculate Target Prices

Table1. Episodes initiating between 1/1/2018 and 9/30/2018

REGION	469/no fracture	469/with fracture	470/no fracture	470/with fracture
(1) New England	\$38,631.90	\$55,068.57	\$21,845.12	\$41,274.35
(2) Middle Atlantic	\$39,979.49	\$56,989.52	\$22,607.14	\$42,714.12
(3) East North Central	\$37,442.72	\$53,373.43	\$21,172.67	\$40,003.83
(4) West North Central	\$35,609.87	\$50,760.76	\$20,136.25	\$38,045.61
(5) South Atlantic	\$37,421.64	\$53,343.39	\$21,160.75	\$39,981.31
(6) East South Central	\$37,873.19	\$53,987.05	\$21,416.09	\$40,463.74
(7) West South Central	\$39,931.03	\$56,920.44	\$22,579.73	\$42,662.34
(8) Mountain	\$35,363.21	\$50,409.15	\$19,996.77	\$37,782.08
(9) Pacific	\$35,218.91	\$50,203.46	\$19,915.18	\$37,627.90

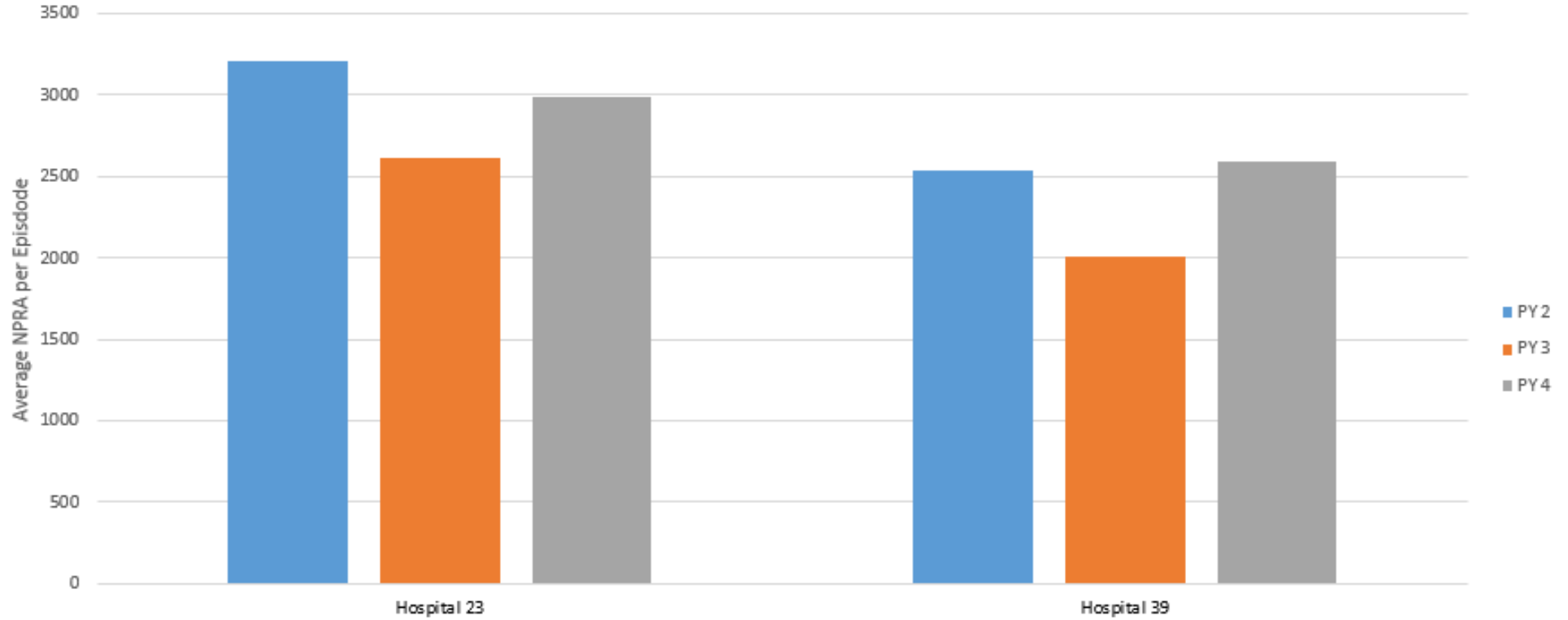
These amounts are in standardized dollars. Hospital-specific target prices take into account historical payments and volume at the hospital, wage factors, and case mix.

Source: innovation.cms.gov/initiatives/cjr

$$\text{Estimated PY4 Regional Target} = (\text{Baseline} * \text{WI} * .7 + .3) * .97$$

TKA Removal from IPO List

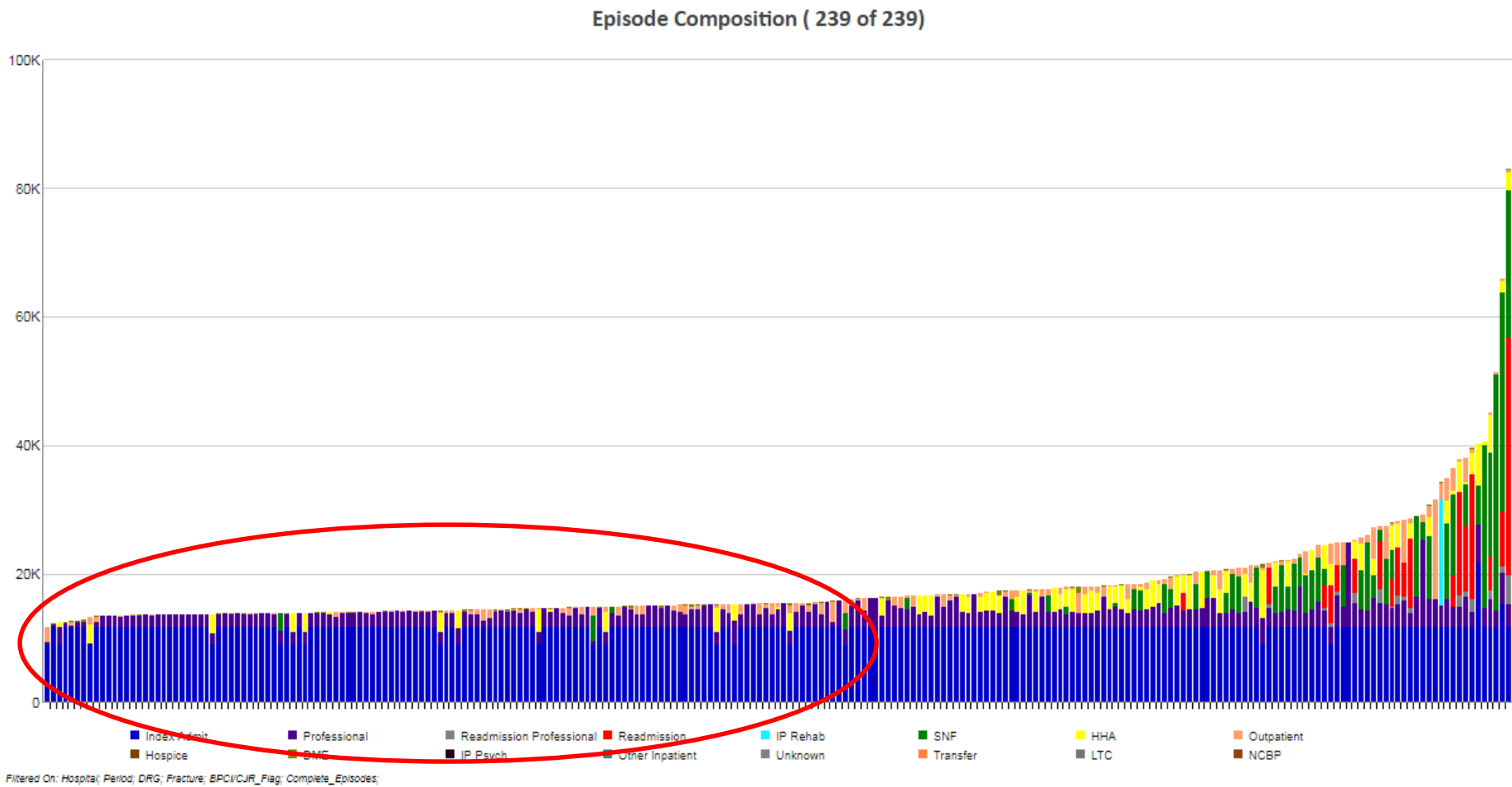
DRG 470 Non-Fracture Performance Variance PY2 to PY4*



*Episode payments held constant at PY2

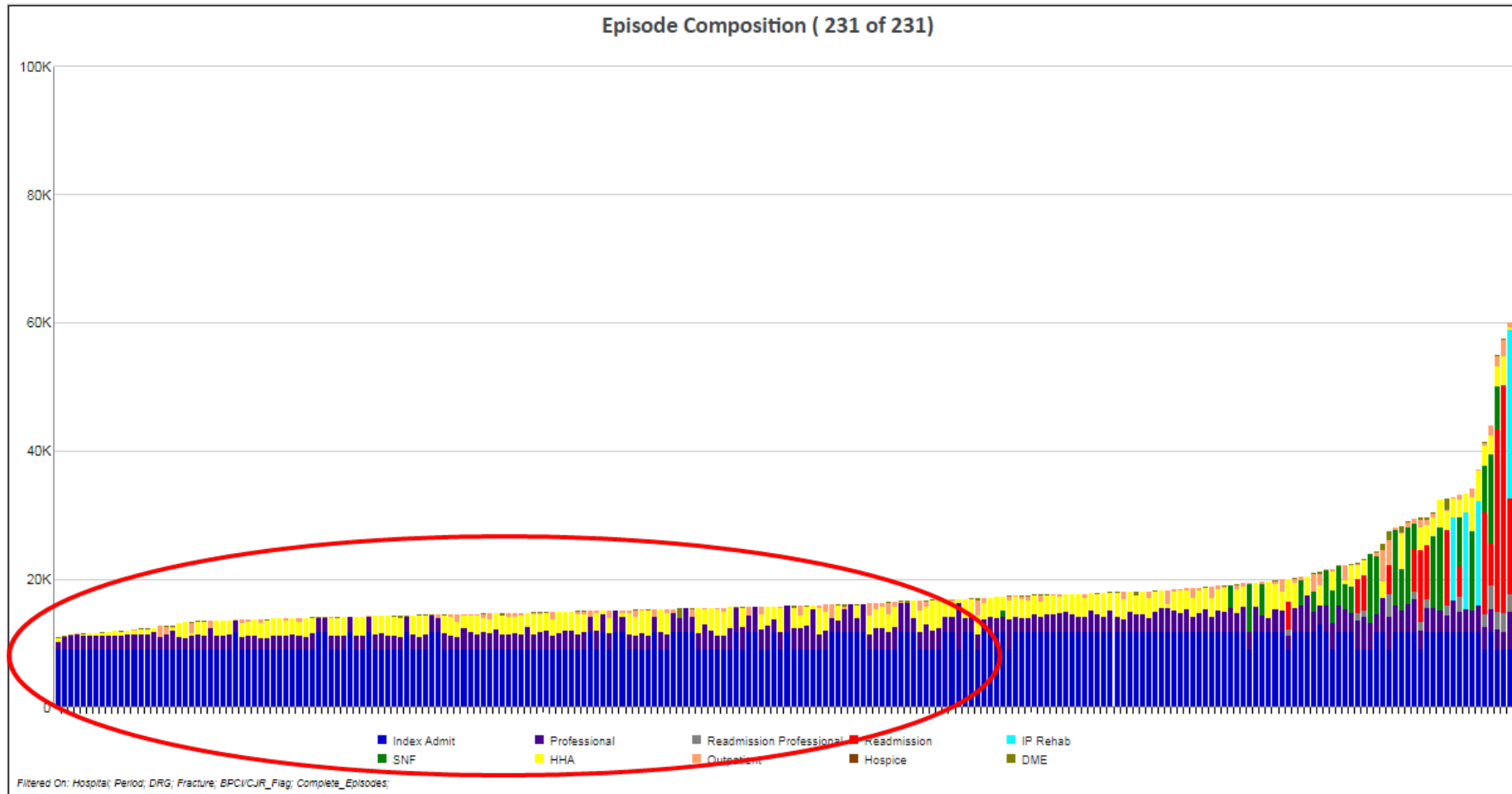
Episode Composition

PY2 470 Non-Fracture Episodes



Episode Composition

PY2 470 Non-Fracture episodes

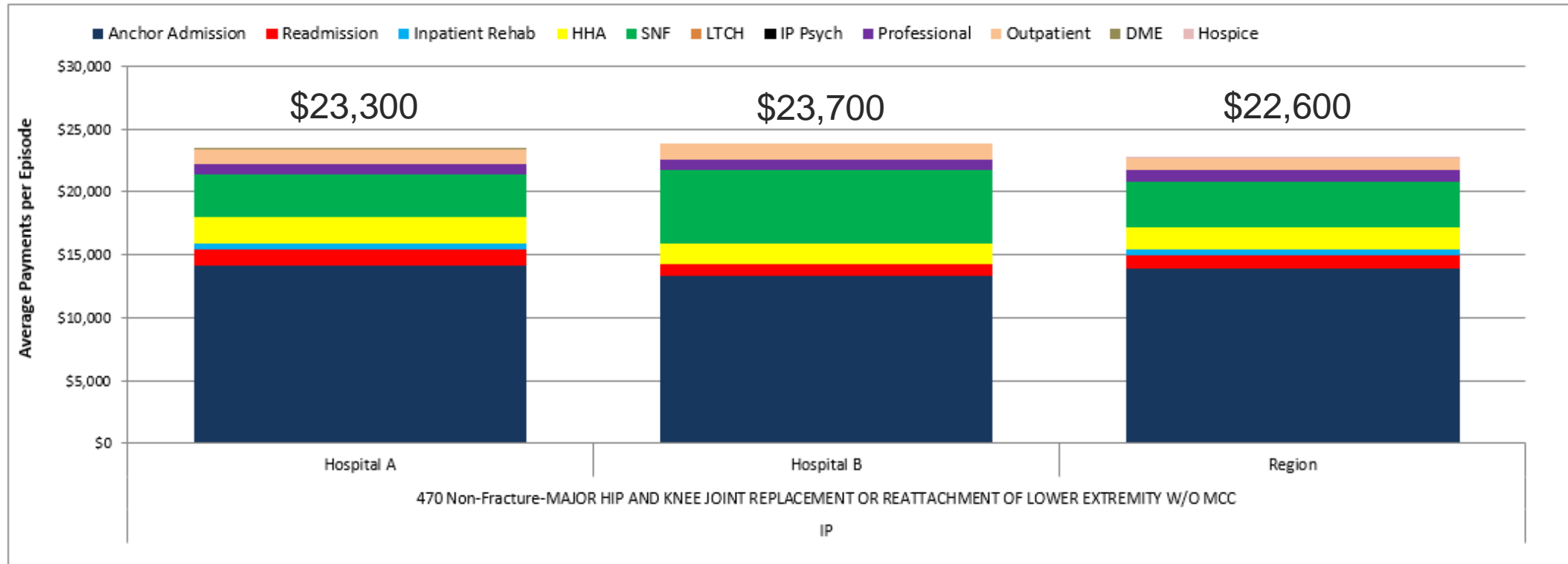


Do Benchmarks Matter?



90 Day Benchmark Comparisons

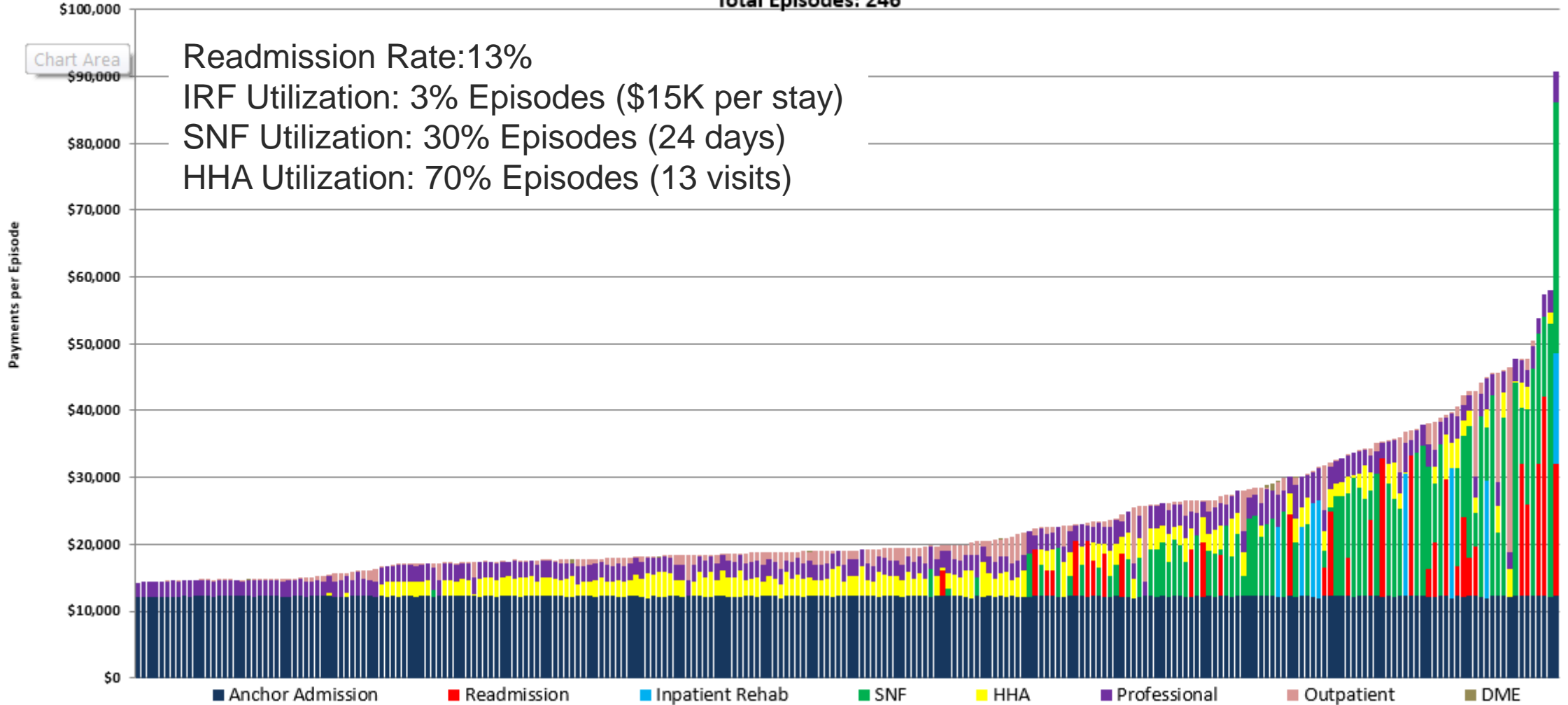
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Hospital A

Episode Payment Variation

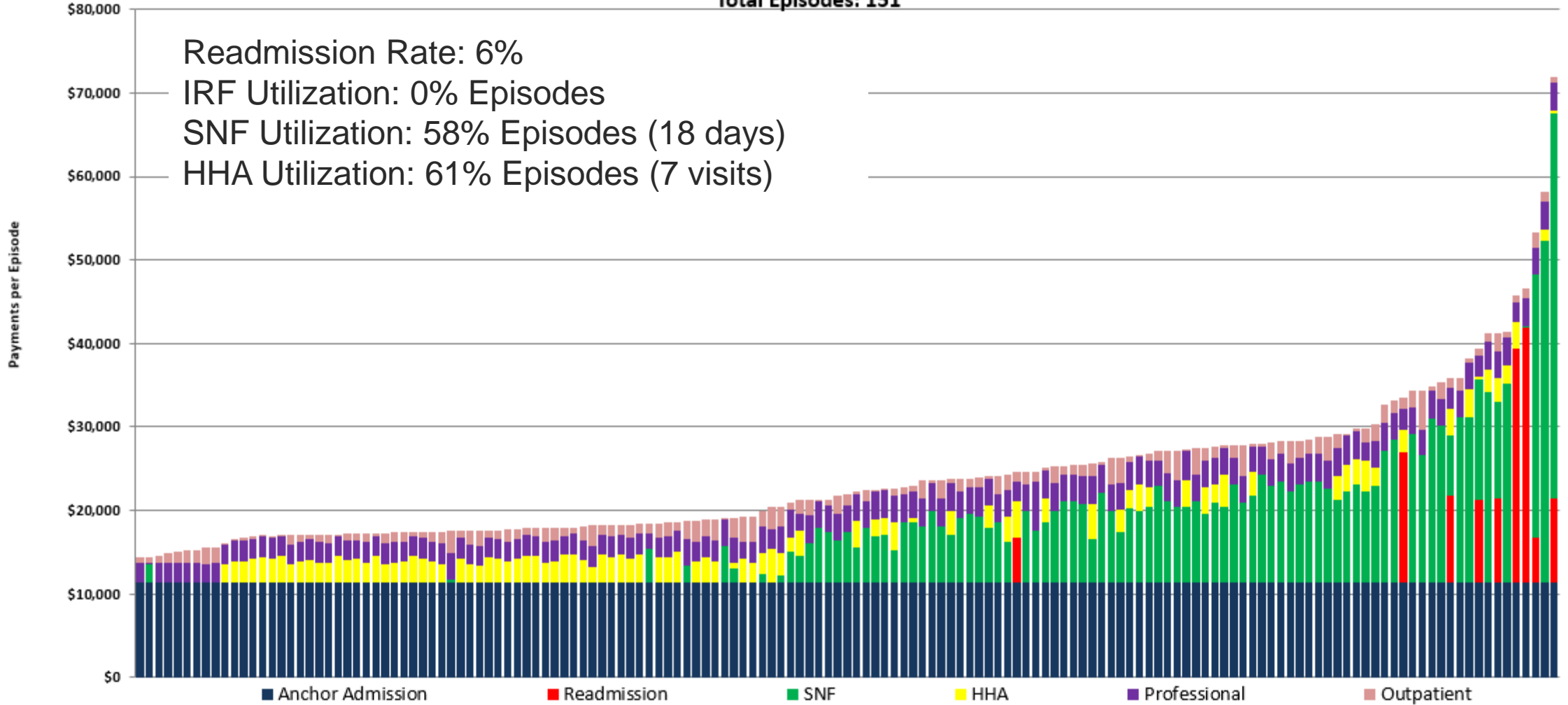
Total Episodes: 246



Hospital B

Episode Payment Variation

Total Episodes: 151



Questions



Contact

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