



Comprehensive Care for Joint Replacement Consumer Fact Sheet

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Hip and knee replacements are the most common inpatient surgery for Medicare beneficiaries and can require lengthy recovery and rehabilitation periods. In 2013, there were more than 400,000 inpatient primary procedures costing more than \$7 billion for hospitalization alone.

While some incentives exist for hospitals to avoid post-surgery complications that can result in pain, readmissions to the hospital, or protracted rehabilitative care, the quality and cost of care for these hip and knee replacement surgeries still varies greatly. For instance, the rate of complications like infections or implant failures after surgery can be more than three times higher at some facilities than others, which can lead to hospital readmissions and prolonged recoveries. And the average Medicare expenditure for surgery, hospitalization, and recovery ranges from \$16,500 to \$33,000 across geographic areas.

This variation is due partly to the way Medicare beneficiaries receive care. Incentives to coordinate the whole episode of care – from surgery to recovery – are not strong enough, and a patient’s health may suffer as a result. When approaching care without seeing the big picture, there is a risk of missing crucial information or not coordinating across different care settings. This approach leads to more post-surgery complications, high readmission rates, and inconsistent costs. These are not the health outcomes patients want.

The new proposed Comprehensive Care for Joint Replacement model is meant to address this fragmentation by focusing on coordinated, patient-centered care. This model aims to improve the care experience for the many and growing numbers of Medicare beneficiaries who receive joint replacements and places the patient’s successful surgery and recovery as the top priority of the health care system.

- Patients would benefit from their hospitals and other health care providers (e.g., physicians, home health agencies, and nursing facilities) working together more closely to coordinate their care. This could lead to better outcomes, a better experience, and fewer complications such as preventable readmissions, infections, or prolonged rehabilitation and recovery.
- In this model, hospitals would be paid for the outcomes that patients want. Providers would be held accountable for the quality and cost of services they provide and would be incentivized to help patients get and stay well.

- Patients would continue to choose their doctor, hospital, nursing facility, home health agency, and other provider, but their providers would better coordinate their care. From surgery to recovery, patients would receive more comprehensive, coordinated care from their providers regarding the most appropriate options for their recovery and rehabilitative care.

Here's how it would work:

- This initiative builds on successful demonstration programs already underway in Medicare, and among leading employers and health care providers.
- Under this proposed model, the hospital in which the hip or knee replacement takes place would be accountable for the costs and quality of care from the time of the surgery through 90 days after—what's called an “episode” of care.
- Depending on the hospital's quality and cost performance during the episode, the hospital would either earn a financial reward or be required to repay Medicare for a portion of the costs. This payment would give hospitals an incentive to work with physicians, home health agencies, and nursing facilities to make sure beneficiaries receive the coordinated care they need with the goal of reducing avoidable hospitalizations and complications. Hospitals would have additional tools – such as spending and utilization data and sharing of best practices - to improve the effectiveness of care coordination.
- By “bundling” these payments, hospitals and physicians have an incentive to work together to deliver more effective and efficient care.
- This model would be in 75 geographic areas throughout the country and most hospitals in those regions would be required participate.

And why we're proposing it:

- Joint replacements are the most commonly performed Medicare inpatient surgery and their utilization is predicted to continue to grow. They can require long recoveries that may include extensive rehabilitation or other post-acute care, which provides many opportunities to reward providers that improve patient outcomes.
- By including all eligible hospitals in 75 geographic areas across the country, this model would drive significant movement towards new payment and care delivery models for an important set of conditions and surgeries for Medicare beneficiaries.
- This project supports HHS efforts to transform the health care system towards better quality care, smarter spending, and healthier people by focusing on care transformation and payment reform for a major surgery for many patients.

The proposal is available at <https://www.federalregister.gov/public-inspection> and can be viewed at <https://www.federalregister.gov> starting July 14, 2015. The deadline to submit comments is September 8, 2015.

For more information, visit: <http://innovation.cms.gov/initiatives/ccjr/>