**Episode Care Improvement Program**

**(ECIP)**

**Track Implementation Protocol**

**Performance Period Six (January 2021 – December 2021)**

**Hospital Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Submission Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# Introduction

The Episode Care Improvement Program (ECIP) is a track under the Care Redesign Program (CRP) designed to allow a hospital that has signed a CRP Participation Agreement (hospital) to link payments across providers during an episode of care. Maryland modeled ECIP on CMS’s Bundled Payments for Care Improvement Advanced (BPCI Advanced) program.

Episodic payment models bundle payments to health care providers for certain items and services furnished during an episode of care. ECIP’s episodic payment approach aligns incentives across hospitals, physicians, and post-acute care facilities to generate savings and improve quality through better care management during episodes, eliminating unnecessary care, and reducing post-discharge emergency department visits and hospital readmissions. ECIP provides hospitals with the opportunity to provide Incentive Payments to Care Partners that help achieve these goals. Additional information on the episodic payment approach can be found in Appendix A.

ECIP promotes the following objectives:

* Financial Accountability: Create extended financial accountability for the outcomes of improved quality and reduced spending, in the context of acute and chronic episodes of care.
* Care Redesign: Support and encourage hospitals and their Care Partners who are interested in continuously reengineering care.
* Data Analysis and Feedback: Decrease the cost of a clinical episode by eliminating unnecessary or low-value care, increasing care coordination, and fostering quality improvement.
* Health Care Provider Engagement: Create environments that stimulate rapid development of new evidence-based knowledge.
* Patient and Caregiver Engagement: Increase the likelihood of better health at lower cost through patient education and ongoing communication throughout the clinical episode.

# Hospital Role and Responsibilities

A hospital participating in ECIP will act as the “episode initiator,” facilitating coordination with and among Care Partners. The hospital shall select the clinical episodes for which it will commit to be held accountable and must put into effect the core components of ECIP: (1) implementing Allowable ECIP Interventions (e.g., care delivery enhancements such as reengineered care pathways using evidence-based medicine, standardized care pathways); (2) engaging Care Partners; (3) using CEHRT; (4) notifying patients about the program; and (5) required reporting.

1. **Allowable ECIP Interventions.** Allowable ECIP Interventions in this CRP are activities and processes the hospital may select and implement to improve care and lower costs under ECIP. The table below shows Allowable ECIP Interventions, which will be selected by hospitals in the supplemental Excel workbook, along with any others proposed by the hospital. The hospital’s completed supplemental Excel workbook must accompany the hospital’s completed Track Implementation Protocol in its submission to HSCRC for approval by HSCRC and CMS. We anticipate that upon initially joining ECIP or after selecting new episodes, hospitals may need up to a quarter for planning prior to implementation, and this may be reflected in associated reporting for that first quarter. However, after this grace period, hospitals must implement interventions and submit intervention measurement data to the HSCRC in order to qualify for shared savings payments and to distribute care partner incentive payments, if applicable.

**Allowable ECIP Interventions**

| **Intervention Category** | **Intervention** |
| --- | --- |
| **Clinical Care/**  **Care Redesign** | * Standardized, evidence-based protocols are implemented, for example for discharge planning and follow-up care. |
| * Implementation of enhanced coordination with post-acute care providers. |
| * Interdisciplinary team meetings address patients’ needs and progress. |
| * Pharmacists embedded on unit. |
| **Beneficiary/**  **Caregiver Engagement** | * Patient education is provided pre-admission and addresses post-discharge options. |
| * Shared decision-making processes and/or tools are implemented to help patients assess treatment options. |
| * Methods for fostering "health literacy" in patient/family education are implemented. |
| * Patient supports, items, and/or services are furnished to beneficiaries. |
| **Care Coordination and Care Transitions** | * Patient risk assessment/stratification is used to target services. |
| * Assignment of a care manager/ coordinator/ navigator to follow patient across care settings (e.g., to help coordinate follow-up appointments and to connect patient to needed community resources). |
| * Performance of medication reconciliation. |
| * Remote patient consultation monitoring. |

**Engagement of Care Partners.** The hospital will invite eligible Care Partners to participate in ECIP. In accordance with the PA and the CRP Calendar, hospitals must vet prospective Care Partners with CMS and must submit lists of certified Care Partners—i.e., those Care Partners that have signed Care Partner Arrangements—to the HSCRC and CMS. We anticipate that some hospitals may not certify Care Partners within the first quarter of joining ECIP or selecting new episodes. During such time, hospitals are not able to share earned incentives with providers. Hospitals must certify care partners to be eligible to receive incentive payments. Hospitals may only share incentive payments with certified care partners.

1. **Health Information Technology (HIT).** Use of CEHRT is a required program element for hospitals and Care Partners to document and communicate clinical care with patients and other health care professionals. HIT will enable quality measurement, reporting and feedback, and use of electronic health records (EHRs) as a part of care redesign across treating health care providers.
2. **Patient Notification.** All patients admitted to a hospital participating in ECIP will receive information stating that the hospital and its medical staff are participating in CRP. The notice should indicate that care partners and hospitals may receive financial incentives when meeting specific performance goals of improving quality, streamlining care, and reducing spending. ECIP does not allow beneficiaries to “opt out” of the payment methodology. However, the initiative will not affect beneficiaries’ freedom to choose their health care provider, meaning that beneficiaries may elect to see a provider or supplier that does not participate in ECIP.
3. **Monitoring and Reporting.** The State will measure and monitor care in hospitals’ selected ECIP episodes to ensure that objectives are met in redesigning care, achieving quality measure thresholds and patient experience-of-care standards, and demonstrating improved care coordination. As described in Appendix A, the State will adjust a hospital’s reconciliation amounts based on the hospital’s quality performance on applicable quality measures. The State will also produce additional metrics to evaluate the overall performance of ECIP:

* 30-day all-cause readmission rates;
* 90-day all-cause readmission rates;
* 30-day emergency room visit rates post discharge;
* 90-day emergency room visit rates post discharge;
* 7-day follow up with physician (specialist or PCP);
* Average hospital LOS during anchor stay; and
* Average LOS in post-acute facility.

Hospitals will be expected to provide the State with ongoing monitoring information according to the CRP Calendar schedule (via “CRP Reports”) by tracking and reporting various measures of performance improvement efforts and operational metrics, including aggregate performance on Allowable Interventions, the number of Care Partners participating in ECIP and any Incentive Payment amounts made to Care Partners. We anticipate that hospitals will be able to report experience within two quarters of joining ECIP or selecting new episodes (that is, after a one-quarter grace period for intervention planning and data collection).

The interventions, targets, and conditions of payment included in CRP Reports must be consistent with the interventions and measures indicated by hospitals in the supplemental Excel workbooks submitted as part of their Implementation Protocol. Hospitals sharing incentives with Care Partners must report on Care Partners’ performance on conditions of payment – at a minimum in aggregate, by care partner type - for each episode category in which they are participating (e.g., Physician Group A met 100% of applicable conditions of payment). Hospitals sharing incentives with Care Partners must attest that incentives will be paid in accordance with the Participation Agreement and Track Implementation Protocol. Hospitals that are not sharing incentives with Care Partners do not need to report whether Care Partners met conditions of payment. However, these hospitals must still report on interventions and progress towards targets.

If hospitals wish to make changes to their interventions or measures during the performance period, they must first request approval by emailing [care.redesign@crisphealth.org](mailto:care.redesign@crisphealth.org) and formally amend their Implementation Protocol accordingly.

**ECIP Incentive Payments to Hospitals**

A semi-annual reconciliation will compare actual Medicare fee-for-service (FFS) expenditures for all clinical episodes attributed to the hospital to the final target price for those clinical episodes (subject to adjustments based on quality performance). Reconciliation will occur at the hospital level, across all episodes. The ECIP payment would be in the form of a positive adjustment to the hospital’s Medicare Performance Adjustment (MPA) Efficiency Component— separate from and additive to the regular MPA adjustment that relies on an attribution algorithm of Medicare FFS beneficiaries to hospitals. Hospitals may keep the full savings they produce below the target price; however, hospitals are required to exceed a three percent minimum savings threshold before any savings are paid out.

The hospital will receive an ECIP payment If the sum of the following is positive:

* + - * + Positive amounts by which Medicare expenditures for selected clinical episodes are below the target prices of those episodes, and
        + Negative amounts by which Medicare expenditures for selected clinical episodes are above the benchmark prices for those episodes.

This is illustrated in the example below.

**Example of Performance Assessment**

* Baseline period episode payment benchmarks:
  + DRG A: $15,000
  + DRG B: $10,000
* Discount: 0% (savings accrued prospectively through MPA Efficiency Component)
* Episode target prices:
  + DRG A: $15,000 ($15,000 x 100%)
  + DRG B: $10,000 ($10,000 x 100%)
* Aggregate actual performance year episode payments:
  + DRG A: $14,300 across 25 episodes ($14,300 x 25 = $357,500)
  + DRG B: $9,500 across 50 episodes ($9,500 x 50 = $475,000)
  + Total: $832,500 ($357,500 + $475,000)
* Aggregate target price = $15,000 x 25 + $10,000 x 50 = $875,000
* ECIP payment to hospital = $875,000 - $832,500 = $42,500
* Payment threshold = 3% \* $875,000 = $26,250
* $42,500 > $26,250, ECIP payment of $42,500 earned

A hospital has the option to distribute a share of the positive savings in any individual clinical episode category to Care Partners via Incentive Payments. Refer to **Section** **D and Appendices B and C** for additional details.

# Care Partner Role and Responsibilities

Care Partners provide care under the ECIP initiative, participate in Allowable ECIP Interventions, and are paid separately by Medicare for their services. Hospitals may choose Care Partners from the following provider types:

* General or specialist physician or physician group practices;
* Clinical nurse specialist or nurse practitioner;
* Physician assistant;
* Physical therapist;
* Skilled nursing facility (SNF);
* Home health agencies;
* Long term care hospitals;
* Hospice; and
* Inpatient rehabilitation facilities.

Each potential Care Partner must meet, at a minimum, the following Care Partner Qualifications specific to ECIP in addition to the Care Partner requirements described in the Participation Agreement:

1. A clinician must have a National Provider Identifier (NPI) and a facility must have a Taxpayer Identification Number (TIN);
2. The provider must participate in the Medicare program;
3. The provider must be licensed;
4. The provider must use CEHRT and CRISP, Maryland’s health information exchange; and
5. The provider will be subject to a federal program integrity screening process; while hospitals can opt to engage Care Partners at the physician group practice level, all members of the group must be screened individually.

Care Partners must sign a Care Partner Arrangement with the hospital and comply with all applicable requirements under the Participation Agreement.

A Care Partner may participate in multiple hospitals’ ECIP programs. ECIP Care Partners who meet the requirements of the Maryland Primary Care Program (MDPCP) are not prohibited from participating in both MDPCP and ECIP.

# Incentive Payment Methodology: Incentive Payment Pool Development, Care Partner Incentive Payments

To the extent the hospital elects to provide Incentive Payments to Care Partners under ECIP, on a semi-annual basis the hospital may distribute some or all of any positive savings achieved within a given clinical episode category to its Care Partners based on the selections made in this Track Implementation Protocol and the attached supplemental Excel workbook. ECIP payments to hospitals will be made through the MPA’s Efficiency Component. A hospital may pay incentives to Care Partners out of the hospital’s global budget in accordance with the terms of this Track Implementation Protocol to enable more timely distributions to Care Partners. The following steps form the conceptual basis for ECIP Incentive Payments to Care Partners. Each participating hospital will complete this Track Implementation Protocol as well as the supplemental Excel workbook to provide the detailed information to the HSCRC on its approach to completing the Incentive Payment steps. The following steps are also illustrated in an example in Appendix B.

1. **Maximum Eligible Payment to Care Partners.** In this Track Implementation Protocol (Section 4), each hospital elects whether to distribute Incentive Payments to qualifying Care Partners. If the hospital elects to make such payments, the hospital enters the maximum share of any positive savings it is making available for Incentive Payments. Once the State determines each participant’s shared savings (net reconciliation) amount for a reconciliation period, it will calculate each participant’s Shared ECIP Incentive Payment Fund, for each clinical episode category. The Shared ECIP Incentive Payment Fund is the product of the hospital’s positive savings achieved and the maximum share the hospital elects to share, per Section 4. (Regardless of the maximum share selected, payments to Care Partners from the Shared ECIP Incentive Payment Fund shall not exceed the Incentive Payment Pool described in step 6.)
2. **Distribution Proportions Among Care Partners.** Each hospital electing to distribute Incentive Payments to qualifying Care Partners will select distribution proportions among the nine available Care Partner types for each episode category. As an example, for the major joint replacement of the lower extremity (MJRLE) episode category, a hospital may reserve 50% of the incentive pool for individual physicians or physician group practices, 25% for SNFs, and 25% for HHAs. A hospital may choose to use the same distribution across all or some episodes, or set individual distributions by episode category. Likewise, a hospital may elect to make available incentives to some, all, or none of the participating Care Partner types.
3. **Establishment of Care Partner Conditions of Payment.** A hospital will further designate at least one condition of payment per care redesign intervention for each clinical episode category and each Care Partner type. In order to qualify for incentive payments, a Care Partner must perform the required Allowable ECIP Interventions and meet the condition(s) of payment. These conditions of payment may be uniform across episodes and Care Partner types or tailored to specific segments. Each condition of payment may be given its own weight by the hospital, or all conditions of payment may have equal weight, at the hospital’s election. Hospitals will report – at minimum - in aggregate each Care Partner type’s performance on conditions of payment by episode category.
4. **Episode Attribution to Care Partners.** During the performance year, the HSCRC will attribute each individual clinical episode to a single Care Partner within each participating provider category (e.g., physician, SNF). Episodes will be weighted using the APR DRG weight for that episode. Available Incentive Payment totals within a Care Partner type will be allocated based on the aggregation of these weights. Hospitals will apply each Care Partner’s performance on conditions of payment and the conditions of payment weights to the Available Incentive Payment total to calculate the Care Partner’s Incentive Payment.
5. **Incentive Payment Cap.** The Incentive Payment is then capped at the stop-gain limit for that provider type to arrive at the final Incentive Payment. If the Care Partner is a physician or non-physician practitioner, the hospital must work with the HSCRC to ensure that the total amount of Incentive Payments distributed to the Care Partner does not exceed the Physician Incentive Payment Cap as determined by CMS, in accordance with the CRP Participation Agreement. Per the Participation Agreement, the Physician Incentive Payment Cap is twenty-five percent (25%) of the Average Care Partner Physician Fee Schedule (PFS) Expenditures for the preceding calendar year. The Incentive Payment Cap for skilled nursing facilities (SNFs), home health agencies, long term care hospitals, hospices; and inpatient rehabilitation facilities is fifty percent of the Incentive Payment Pool described in (6) below.
6. **Incentive Payment Pool Development and Application.** The ECIP Incentive Payment Pool, established by the HSCRC and approved by CMS, will serve as a limit on the aggregate incentive amount that hospitals can distribute to participating Care Partners based on performance in a reconciliation period. HSCRC will set the Incentive Payment Pool that hospitals may distribute to their Care Partners equal to the hospitals actual, positive performance in each episode. The ECIP Incentive Payment Pool is calculated after each semiannual performance period.

A hospital’s ECIP Incentive Payment Pool is based on only those clinical episode categories in which the hospital achieved savings (yielded a positive reconciliation amount). A hospital’s ECIP Incentive Payment Pool is the sum of the savings achieved in such clinical episode categories (that is, its savings in Potentially Avoidable Utilization, or PAU Savings), adjusted by the Quality Adjustment Score used in the MPA (based on readmissions and hospital-acquired conditions at a minimum), in accordance with the State’s agreement with CMS.

Each hospital must ensure that aggregate incentives paid to Care Partners do not exceed its ECIP Incentive Payment Pool. If the amounts calculated for Incentive Payments exceed the hospital’s Incentive Payment Pool amount, the Incentive Payments will be reduced by a flat percentage so Incentive Payments do not exceed the hospital’s Incentive Payment Pool.

Track Implementation Protocol Instructions

Please complete all required sections of this Track Implementation Protocol.

**Section 1**, Hospital provides general information.

**Section 2**, Hospital provides a description of the key personnel and the CRP Committee responsible for ECIP.

**Section 3,** Hospital provides information on the model plan.

**Section 4,** Hospitalexplains plans for making Incentive Payments to Care Partners (if applicable).

# 1. Hospital Information

**Date of Track Implementation Protocol Submission:**

**Organization Name and D/B/A:**

**TIN:**

**CMS cert #(s) for organization:**

**Point of Contact:**

|  |  |
| --- | --- |
|  | **Hospital** |
| Name: |  |
| Title: |  |
| Street Address: |  |
| City, State, Zip: |  |
| Telephone: |  |
| Fax: |  |
| Email: |  |

**Name the key personnel and describe the function of the key management personnel for ECIP:**

|  |  |  |
| --- | --- | --- |
| **Key Personnel** | **Title** | **Program Role/Responsibilities** |
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# 2. CRP Committee

Provide the names of your CRP Committee members. During each performance period, at least one CRP Committee member must be a Medicare FFS beneficiary living in the hospital’s service area.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name, Credentials** | **Job Title and Organization, if applicable** | **Check if Care Partner Rep** | **Check if Medicare Bene Rep** |
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**Provide an explanation of the following.**

| **Please answer the following questions about how the CRP Committee will provide oversight, guidance, and management for ECIP.** | |
| --- | --- |
| 1. How often will the CRP Committee meet?  (monthly, bi-monthly, quarterly, bi-annually) |  |
| 2. How often will the CRP Committee receive progress/ dashboard reports on program performance?  (monthly, bi-monthly, quarterly, bi-annually, annually) |  |
| 3. How will the CRP Committee assist hospitals in selecting the allowable clinical episodes? |  |
| 4. How will the CRP Committee assist hospitals in selecting the Allowable ECIP Interventions? |  |
| 5. How will the CRP Committee provide a forum for sharing ideas, identifying problems, and developing solutions between the hospital and its Care Partners? |  |
| 6. How will the CRP Committee offer the internal leadership to ensure the integrity of and opportunity for success of the CRP and each CRP Track in which the Hospital is participating? |  |
| 7. How will the CRP Committee conduct a qualitative analysis on the status of the Allowable ECIP Interventions and offer suggestions to the hospital on how implementation could be improved? |  |

# 3. ECIP Model Plan

Please briefly explain how the elements listed below will be executed.

| **Category** | **Changes to Current Care Model** | **Describe Program at a High Level (< 200 words)** |
| --- | --- | --- |
| **Infrastructure and HIT** | Please describe your process for engaging Care Partners. |  |
| How will you use CEHRT to document and communicate clinical care with patients and other health care professionals? |  |
| How will use of Electronic Health Records (EHRs) as a part of care redesign across treating health care providers help ensure coordination of care across settings? |  |
| How will use of HIT enable quality measurement, reporting and feedback? |  |
| **Data** | Please describe how your hospital will utilize monthly CMS data files in the care redesign program. |  |
| Please describe how data will be used to support Incentive Payments and processes. |  |
| **Care Redesign Processes** | Please describe how your hospital will identify opportunities for improvement. |  |
| Please describe the monitoring and reporting process. |  |
| Please describe your processes for communicating and educating physicians and clinical staff regarding ECIP. |  |
| Please describe how you will use feedback from Care Partners in order to improve Allowable ECIP Interventions. |  |

Define your process and frequency for monitoring a Care Partner’s completion of the Allowable ECIP Interventions. How will you ensure that medically necessary care is not reduced in an effort to reduce Medicare FFS expenditures?

|  |
| --- |
|  |

How will you communicate allowable ECIP intervention performance results to Care Partners and the CRP Committee?

|  |
| --- |
|  |

1. **Incentive Payments**

Please indicate whether your hospital is opting to make Incentive Payments to Care Partners:

Yes  No

If yes, please complete the rest of Section 4 as well as the Supplemental Excel workbook. The Supplemental Excel workbook provides information to the HSCRC on Incentive Payment distribution proportions among Care Partner types for each episode category; conditions of payment and their weighting for each episode category and each Care Partner type; episode attribution to Care Partners; and application of conditions of payment and attribution.

Do you attest that Incentive Payments to Care Partners will be paid in accordance with the Participation Agreement and Track Implementation Protocol?

Yes  No

Please describe the process by which you will distribute the Incentive Payments to Care Partners, including the timing and periodicity of payments, the entities issuing the payments, the method for distributing payments to Care Partners, form of payments, the documentation of payments, etc.**Appendix A: Episodic Payment Approach: Clinical Episodes and Target Prices**

ECIP will use a retrospective bundled payment approach where FFS payments are made as usual and the total FFS payments for clinical episodes are then retrospectively reconciled against a predetermined target price. The HSCRC will base the list of clinical episodes on the inpatient clinical episodes included in the federal BPCI Advanced program. The BPCIA clinical episode categories are mapped from MS-DRGs used in the federal program to APR DRGs, which are more familiar to Maryland hospitals, resulting in 23 clinical episode categories for ECIP.

Similar to federal policy, ECIP hospitals must have sufficient volume during the baseline period to be able to participate in a given episode category. Hospitals with fewer than 30 episodes for a particular category during the baseline period of the most recent three years are ineligible to participate in that bundle and will not receive target prices for those episode categories.

Participating hospitals will complete and submit to the HSCRC the Supplemental Excel workbook, in which hospitals will identify which clinical episodes they choose to participate in and the Care Partner types involved in each of the clinical episode categories.

Clinical episodes are triggered by the submission of a claim for an inpatient hospital stay (referred to as an anchor stay). Episodes begin upon discharge from the anchor stay and extend 90 days starting on the day of discharge. See Appendix B for additional detail on the items and services included in the clinical episodes.

The State will provide preliminary target prices to potential hospitals prospectively to enable them to evaluate their ability to improve the cost and quality of care prior to their commitment to be held accountable for a clinical episode. The target will be based on a benchmark price, calculated using the historical Medicare FFS expenditures for most items and services furnished during the clinical episode during a specified baseline period, updated to reconciliation year dollars. Based on the total, actual Medicare FFS expenditures for that clinical episode relative to the total aggregate target price, hospitals have the opportunity to earn an ECIP Payment, to be paid through the MPA.

The State will conduct semi-annual reconciliation against these prospectively determined clinical episode-specific target prices. Reconciliation will be adjusted retrospectively in a manner similar to and the federal Comprehensive Care for Joint Replacement (CJR) Model to account for quality performance, the actual case mix of patients treated during a reconciliation period, and other factors such as extreme and uncontrollable circumstances, and the stop-gain provisions described previously. All positive and negative reconciliation amounts will be netted across all clinical episodes attributed to the hospital to calculate the total reconciliation amount. If, during the semi-annual reconciliation process, all non-excluded Medicare FFS expenditures for a clinical episode category in which the hospital is participating are **less than** the final **target price** for that clinical episode, this results in a **positive reconciliation amount**. By contrast, if all non-excluded Medicare FFS expenditures for a clinical episode are **greater than** the final **benchmark price**, this results in a **negative reconciliation amount**. Although episodes’ poor performance can offset or even zero out any potential ECIP payments to hospitals, ECIP has no downside risk to hospitals; that is, no ECIP payments will be required from hospitals. Hospitals may keep the full savings they produce below the target price; however, hospitals must exceed a three percent minimum savings threshold before any savings are paid out.

Reconciliation payments will be capped at 20% of the volume-weighted sum of final target prices across all clinical episodes netted to the episode initiator level. In the federal programs, this is referred to as a stop-gain amount.

A reconciliation appeals and management process will be maintained to address any issues raised by participants or the State with regard to incorrect payments or payments made based on incorrect information. This will include a record of all payments made to hospitals, distributed to Care Partners, and any adjustments made to such.

**Accountability for Quality Performance**

The State will adjust a hospital’s reconciliation amounts based on the hospital’s quality performance on the applicable quality measures. Adjusting payment for quality performance helps align resources while ensuring that cost saving strategies do not lower the quality of care for beneficiaries.

The two quality measures that apply to all clinical episodes are:

* All-cause Hospital Readmission Measure (NQF #1789); and
* Advanced Care Plan (NQF #0326)

The five clinical episode-specific quality measures, in accordance with CMS methodology, are as follows:

* Perioperative Care: Selection of Prophylactic Antibiotic: First or Second Generation Cephalosporin (NQF #0268);
* Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) (NQF #1550);
* Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate (RSMR) Following Coronary Artery Bypass Graft Surgery (NQF #2558);
* Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction (NQF #2881); and
* AHRQ Patient Safety Indicators (PSI 90).

**Appendix B: Clinical Episode Approach**

ECIP will operate under a total-cost-of-care (TCOC) concept, based on the implementation of the national BPCI Advanced program, in which the total Medicare FFS spending on items and services furnished to a beneficiary during the clinical episode will be part of the clinical episode expenditures for purposes of the target price and semi-annual reconciliation calculations, unless specifically excluded. Unlike BPCI Advanced, spending during the anchor stay is excluded from the episode, as other State programs address inpatient costs of care.

Episodes begin upon discharge from the anchor stay and extend for 90 days, including the day of discharge.

*Inclusions*: Each clinical episode will include Medicare FFS expenditures for:

1. Part A and Part B non-excluded items and services furnished in the 90-day period following discharge from the anchor stay, including hospice services.

*Exclusions*: Clinical episodes will exclude those Medicare FFS expenditures for:

1. Any Part A and Part B services furnished to a beneficiary during anchor stay;
2. New technology add-on payments under the IPPS; and
3. Payment for blood clotting factors to control bleeding for hemophilia patients.

In addition, Medicare FFS expenditures on items and services furnished to Medicare beneficiaries covered under managed care plans (e.g., Medicare Advantage, Health Care Prepayment Plans, or cost- based health maintenance organizations), to Medicare beneficiaries eligible on the basis of end-stage renal disease (ESRD); to Medicare beneficiaries for whom Medicare is not the primary payer, and to Medicare beneficiaries who died during the anchor stay are also excluded.

*Clinical Episode Category List*: The 23 inpatient clinical episode categories listed below are similar to the 29 clinical episodes used in the federal Bundled Payments for Care Improvement Advanced program, but mapped to the APR DRGs more commonly used in Maryland and excluding some bundles used in due to low volume (e.g., cardiac defibrillator). The 23 inpatient clinical episode categories in ECIP are as follows:

1. Acute myocardial infarction (AMI)
2. Back and neck except spinal fusion
3. Cardiac arrhythmia
4. Cardiac valve
5. Cellulitis
6. Cervical spinal fusion / Combined anterior posterior spinal fusion / Spinal fusion (non-Cervical)
7. Chronic obstructive pulmonary disease (COPD), bronchitis/asthma
8. Congestive heart failure (CHF)
9. Coronary artery bypass graft surgery (CABG)
10. Major joint replacement of the lower extremity (MJRLE) / Double joint replacement of the lower extremity
11. Fractures, femur and hip/pelvis
12. Gastrointestinal hemorrhage
13. Gastrointestinal obstruction
14. Hip and femur procedures except major joint
15. Lower extremity and humerus procedure except hip, foot, femur / Major joint replacement of upper extremity
16. Major bowel procedure
17. Pacemaker
18. Percutaneous coronary intervention (PCI)
19. Renal failure
20. Sepsis
21. Simple pneumonia and respiratory infections
22. Stroke
23. Urinary tract infection (UTI)

In the Supplemental Excel workbook that accompanies this Track Implementation Protocol, each participating hospital will prospectively select which of the applicable clinical episode categories it will be held accountable for in ECIP.

**Appendix C: Example of Incentive Payment Methodology**

1. Hospital A is participating in **two episode categories** – Episode Category 1 and Episode Category 2. As described in Section 3, Step 2 of this Track Implementation Protocol, Hospital A elected to provide Incentive Payments equal to 50% of its total positive savings for both of these clinical episode categories. Its total aggregate positive savings across all episode categories $1,000,000, resulting Hospital A having a Shared ECIP Incentive Payment Fund of **$500,000** (i.e., $1,000,000 x 50%).

Note that if Hospital A did not achieve savings for Episode Category 1, the same steps below would still apply in calculating the Incentive Payments for Episode Category 2 – just based on the savings in that episode category alone.

1. As described in Section 3, Step 3, the hospital elected in its Track Implementation Protocol and Supplemental Excel workbook to distribute Incentive Payments to Care Partners, allocated as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Episode Category | Physician | SNF | HHA |
| Episode Category 1 | 50% | 50% | N/A |
| Episode Category 2 | 50% | 25% | 25% |

1. As described in Section 3, Step 4, hospital sets required conditions of payment weights, as well as the minimum number of conditions of payment to qualify for any payment, in its Track Implementation Protocol and Supplemental Excel workbook as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Episode Category | CoP 1 | CoP 2 | CoP 3 | CoP 4 | CoP 5 |
| Episode Category 1 (minimum = 3) | 20% | 20% | 20% | 20% | 20% |
| Episode Category 2 (minimum = 2) | 25% | 25% | 25% | 25% | N/A |

1. As described in Section 3, Step 5, each included clinical episode is attributed (by HSCRC and its administrator) to a single Care Partner within each participating provider category according to the following volume:

|  |  |  |
| --- | --- | --- |
| Episode Category | DRG | Volume |
| Episode Category 1 | DRG 1 | 10 episodes |
|  | DRG 2 | 10 |
| Episode Category 2 | DRG 3 | 15 |
|  | DRG 4 | 20 |
|  | DRG 5 | 5 |

Episodes are weighted (by HSCRC and its administrator) by DRG weight within the episode category.

|  |  |
| --- | --- |
| DRG | DRG Weight |
| DRG 1 | 1 |
| DRG 2 | 1.5 |
| DRG 3 | 1.25 |
| DRG 4 | 2 |
| DRG 5 | 3 |

**Episode Category 1** = 50% of the total, positive savings (amount by which episode payments were under the aggregate target price) for Episode Category 1 = **$126,500**

This is allocated to Care Partner types using the proportions provided to determine maximum Incentive Payment from the Shared ECIP Incentive Payment Fund:

Physician = 50% x $126,500 = $63,250

SNF = 50% x $126,500 = $63,250

**Episode Category 2** = 50% of the total, positive savings (amount by which episode payments were under the aggregate target price) for Episode Category 2 = **$373,500**

This is allocated to Care Partner types using the proportions provided to determine maximum Incentive Payment from the Shared ECIP Incentive Payment Fund:

Physician = 50% x $373,500 = $186,750

SNF = 25% x $373,500 = $93,375

HHA = 25% x $373,500 = $93,375

The resulting application of episode weights results in the following allocation of available Incentive Payments (numbers are rounded here for simplicity):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Care Partner | Episode Category | DRG | Volume | Weight |
| Physician Group A | Episode Category 1 | DRG 1 | 2 | 2 |
|  |  | DRG 2 | 5 | 7.5 |
| Physician Group B | Episode Category 1 | DRG 1 | 6 | 6 |
|  |  | DRG 2 | 5 | 7.5 |
| Physician Group C | Episode Category 1 | DRG 1 | 2 | 2 |
|  |  | DRG 2 | 0 | 0 |
| Physician Group A | Episode Category 2 | DRG 3 | 5 | 6.2 |
|  |  | DRG 4 | 10 | 20 |
|  |  | DRG 5 | 5 | 15 |
| Physician Group B | Episode Category 2 | DRG 3 | 5 | 6.25 |
|  |  | DRG 4 | 7 | 14 |
|  |  | DRG 5 | 0 | 0 |
| Physician Group C | Episode Category 2 | DRG 3 | 5 | 6.25 |
|  |  | DRG 4 | 3 | 6 |
|  |  | DRG 5 | 0 | 0 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Care Partner | Episode Category | DRG | Volume | Weight |
| SNF D | Episode Category 1 | DRG 1 | 7 | 7 |
|  |  | DRG 2 | 0 | 0 |
| SNF E | Episode Category 1 | DRG 1 | 3 | 3 |
|  |  | DRG 2 | 4 | 6 |
| SNF D | Episode Category 2 | DRG 3 | 7 | 8.75 |
|  |  | DRG 4 | 10 | 20 |
|  |  | DRG 5 | 5 | 15 |
| SNF E | Episode Category 2 | DRG 3 | 7 | 8.75 |
|  |  | DRG 4 | 10 | 20 |
|  |  | DRG 5 | 0 | 0 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Care Partner | Episode Category | DRG | Volume | Weight |
| HHA F | Episode Category 2 | DRG 3 | 6 | 6 |
|  |  | DRG 4 | 3 | 6 |
|  |  | DRG 5 | 0 | 0 |

**Physician Group A** was attributed 38% of the weighted volume for Episode Category 1 and 55.9% of the weighted volume for Episode Category 2. This is equal to .38 x 63,250 + .559 \* 186,750 = $128,000. We will (for the sake of example) say that 25% of their final average MPFS payments for the year only totals $122,000, however, so their final capped incentive is $122,000. The hospital would then be responsible for evaluating their stated Conditions of Payment and paying them the appropriate proportion of this total capped incentive based on successful completion of the conditions.

**Physician Group B** was attributed 54% of the weighted volume for Episode Category 1 and 27.5% of the weighted volume for Episode Category 2. So, they are eligible for to .54 x 63,250 + .275 x 186,750 = $85,500. They do not hit their incentive payment cap, so are eligible for the full amount. Again, the hospital would be responsible for evaluating conditions of payment and paying an amount proportional to their success in meeting those conditions.

**Physician Group C** was attributed 8% of the weighted volume for Episode Category 1 and 16.6% of the weighted volume for Episode Category 2, this is equal to .08 x 63,250 + .166 \* 186,750 = $36,000.

**SNF D** was attributed 43.8% of the weighted SNF volume for Episode Category 1 and 60.3% of the weighted SNF volume for Episode Category 2, this is equal to .438 x 63,250 + .603 \* 93,375 = $65,000.

**SNF E** was attributed 56.3% of the weighted SNF volume for Episode Category 1 and 39.7% of the weighted SNF volume for Episode Category 2, this is equal to .563 x 63,250 + .397 \* 93,375 = $60,700.

**HHA F** is the only home health agency certified as a participating care partner for Episode Category 2, so the entire $93,375 allocated incentive pool for HHAs for Episode Category 2 is allocated to them, contingent on successful completion of their conditions of payment.