DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-5504-N]

Bundled Payments for Care Improvement Initiative: Request for Applications

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces a request for applications for organizations to participate in one or more of the initial four models under the Bundled Payments for Care Improvement initiative beginning in 2012.

DATES: Letter of Intent Submission Deadlines: Interested organizations must submit a nonbinding letter of intent by September 22, 2011 for Model 1 and November 4, 2011 for Models 2 through 4 as described on the CMS Innovation Center website http://www.innovations.cms.gov/areas-of-focus/patient-care-models/bundled-payments-for-care-improvement.html. For applicants wishing to receive historical Medicare claims data in preparation for Models 2 through 4, a separate research request packet and data use agreement must be filed in conjunction with the Letter of Intent.

Application Submission Deadlines: Applications must be received on or before October 21, 2011 for Model 1 and March 15, 2012 for Models 2 through 4.

ADDRESSES: Letter of Intents and Applications should be submitted electronically in searchable PDF format via encrypted email to the following email address by the date specified in the DATES section of this notice: BundledPayments@cms.hhs.gov. Applications and appendices will only be accepted via email.

FOR FURTHER INFORMATION CONTACT:

BundledPayments@cms.hhs.gov for questions regarding the application process of the Bundled Payments for Care Improvement initiative.

SUPPLEMENTARY INFORMATION:

I. Background

We are committed to achieving the three-part aim of better health, better health care, and reduced expenditures through continuous improvement for Medicare, Medicaid and Children's Health Insurance Program (CHIP) beneficiaries. Beneficiaries can experience improved health outcomes and patient experience when health care providers work in a coordinated and patient-centered manner. To this end, we are interested in partnering with providers who are working to redesign patient care to deliver these aims. Episode payment approaches that reward providers who take accountability for the three-part aim at the level of individual patient care for an episode are potential mechanisms for developing these partnerships.

In order to provide a flexible and far-reaching approach towards episode-based care improvement, we are seeking proposals from health care providers who wish to align incentives between hospitals, physicians, and nonphysician practitioners in order to better coordinate care throughout an episode of care. This Bundled Payment for Care Improvement initiative request for applications (RFA) will test episode-based payment for acute care and associated post-acute care, using both retrospective and prospective bundled payment methods. The RFA requests applications to test models centered around acute care; these models will inform the design of future models, including care

improvement for chronic conditions. For more details, see the RFA which is available on the Innovation Center website at http://www.innovations.cms.gov/areas-of-focus/patient-care-models/bundled-payments-for-care-improvement.html

II. Provisions of the Notice

Consistent with its authority under section 1115A of the Social Security Act (of the Act), as added by section 3021 of the Affordable Care Act, to test innovative payment and service delivery models that reduce spending under Medicare, Medicaid, or CHIP, while preserving or enhancing the quality of care, the Innovation Center aims to achieve the following goals through implementation of the Bundled Payments for Care Improvement initiative:

- Improve care coordination, patient experience, and accountability in a patient centered manner.
- Support and encourage providers who are interested in continuously reengineering care to deliver better care, better health, at lower costs through continuous improvement.
- Create a virtuous cycle that leads to continually decreasing the cost of an acute or chronic episode of care while fostering quality improvement.
- Develop and test payment models that create extended accountability for better care, better health at lower costs for acute and chronic medical care.
- Shorten the cycle time for adoption of evidence-based care.
- Create environments that stimulate rapid development of new evidence-based knowledge.

The models to be tested based on applications to the RFA are as follows:

- Model 1: Retrospective payment models around the acute inpatient hospital stay only.
- Model 2: Retrospective bundled payment models for hospitals, physicians, and post-acute providers for an episode of care consisting of an inpatient hospital stay followed by post-acute care.
- Model 3: Retrospective bundled payment models for post-acute care where the episode does not include the acute inpatient hospital stay.
- Model 4: Prospectively administered bundled payment models for the acute inpatient hospital stay only, such as prospective bundled payment for hospitals and physicians for an inpatient hospital stay

Organizations are invited to submit proposals that define episodes of care in one or more of these four models. Proposals should demonstrate care improvement processes and enhancements such as reengineered care pathways using evidence-based medicine, standardized care using checklists, and care coordination. All models must encourage close partnerships among all of the providers caring for patients through the episode. Applicants must demonstrate robust quality monitoring and protocols to ensure beneficiary quality protection. Under all models, applicants must provide Medicare with a discount on Medicare fee-for-service expenditures.

Bundled Payments for Care Improvement agreements will include a performance period of 3 years, with the possibility of extending an additional 2 years, beginning with the respective program date. The program start date may be as early as the first quarter of

CY 2012 for awardees in Model 1.

III. Collection of Information Requirements

Section 1115A(d) of the Act waives the requirements of the Paperwork Reduction Act of 1995 for the Innovation Center for purposes of testing new payment and service delivery models.

CMS-5504-N

Authority: 44 U.S.C. 3101.

Dated: August 17, 2011

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Donald M. Berwick,

Administrator**,**

Centers for Medicare & Medicaid Services**.**

BILLING CODE 4120-01-P

[FR Doc. 2011-21707 Filed 08/23/2011 at 11:15 am; Publication Date: 08/25/2011]