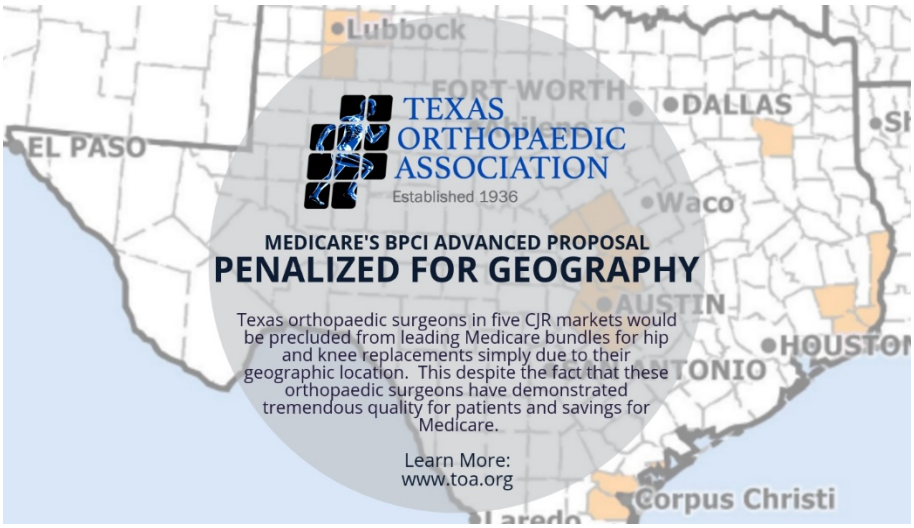
TEXAS ORTHOPAEDIC ASSOCIATION
Established 1936

Penalized for Geography: BPCI Advanced & CJR



BPCI Advanced – Medicare's new physician-led bundled payment program that was announced in January 2018 – will not allow orthopaedic surgeons located in Texas' five Comprehensive Center for Joint Replacement (CJR) markets to lead their own bundles for lower extremity joint replacements in the new BPCI Advanced program. These markets include Austin, Tyler, Corpus Christi, Temple, Lubbock, and Beaumont.

Several orthopaedic practices that have been leading bundled payment initiatives for hip and knee replacements in the existing BPCI Model 2 program are now forced to give up these innovative bundled payment programs simply due to the fact that they are located in a CJR market.

Both patients and Medicare benefit from surgeons leading bundled payment programs. The orthopaedic groups that have been participating in the existing BPCI Model 2 have demonstrated significant savings for Medicare. A study conducted by the largest BPCI physician group practice (PGP) convener of 15 private practice orthopaedic groups across the nation found that they saved Medicare $3,214 (15 percent) per LEJR episode in 2015 (compared to the 2009-2012 historic baseline data).

Through its surgeon-led BPCI Model 2 program, Texas Orthopedics, Sports & Rehabilitation Associates, which is based in Austin, has seen extraordinary results from baseline numbers that have resulted in a 50 percent reduction in ER visits, 32 percent reduction in readmissions for elective surgeries, and a $2.2 million reduction in costs over the first eight quarters of the program.

These savings are due to the incredible infrastructure developed by the orthopaedic groups to implement a successful bundled payment program. This includes the creation of a perioperative home through patient coordinators who coordinate every aspect of a patient's episode of care, including pre-surgical preparation and post-surgical rehabilitation. Azalea Orthopaedics in Tyler even built its own skilled nursing facility to ensure that the patients who need a higher level of post-acute care beyond home health were provided care in a setting that could be managed by the surgeon who performed the surgery.

The Texas Orthopaedic Association and American Association of Orthopaedic Surgeons are encouraging Congress to encourage the Center for Medicare and Medicaid Innovation (CMMI) to make an exception so that the orthopaedic practices located in the CJR markets can lead their own bundled payment programs for hip and knee replacements. These successful programs should not be penalized by geography.