

As we highlighted in our recent [2017 Outlook](#) – value-based care is here to stay. A [new study](#) by the Altarum Institute’s Center for Payment Innovation and the Centers for Medicare and Medicaid Services (CMS) adds further support for [bundled payments](#), a popular value-based care model.

The study revealed that providers who participated in the Center for Medicare and Medicaid Innovation’s (CMMI) Bundled Payments for Care Improvement (BPCI) Initiative did not perform more procedures under the value-based payment model than non-participants. The authors, Andrew Wilson and François de Brantes of the Center for Payment Innovation and Patrick Conway, Chief Medical Officer of CMS, conducted this study seeking to respond to an [editorial](#) penned in September 2016 by Elliot Fisher, Director of the Dartmouth Institute for Health Policy and Clinical Practice. The editorial, written to accompany a [JAMA study](#) that linked lower extremity joint replacements in BPCI to lower costs of care, argued that the BPCI program actually incited physicians to perform unnecessary treatments, therefore increasing Medicare costs. The authors of the Altarum Study hoped to respond to – and successfully counter – Fisher’s criticism of bundled payments.

This new study looked at the total number of hip and knee replacements for Medicare beneficiaries performed at any hospital in the United States between 2010 and 2015. The researchers compared the number of procedures in BPCI and non-BPCI hospitals pre- and post-BPCI initiation, and found that there was not a statistically significant increase in volume for BPCI participants compared to non-participants. Thus, BPCI could not be responsible for any increase in the volume of procedures between pre-BPCI and BPCI years.

The authors hope this conclusion – that BPCI had no effect on the number of procedures performed – will debunk any lingering debate that BPCI participation contributes to a higher number of procedures. “There is no evidence whatsoever that ... bundled payments in general create an incentive to artificially increase the volume of episodes,” de Brantes said. “In fact, we found the opposite.”

The researchers point out that any increase in volume during the test period can be attributed to regional demographics and common market forces, such as the effect of hospital consolidations and the opening of new joint replacement facilities. The study’s results also mirror those of an [earlier study](#), which found that participation in BPCI had no significant effect on any change in volume. The researchers also pointed out several shortcomings of Fisher’s editorial, notably that he failed to take into account changes in the underlying count of Medicare beneficiaries in the local area, as well as potential differences in regional prevalence rates.

“These findings point to the potential of bundled payment to improve quality and lower costs of care while maintaining or lowering the volume of the episodes of care,” the report states. Value-based care, full force ahead.