As bundled payments – also known as episode payment models (EPMs) – continue to demonstrate success (Wang, Navathe, CMS, Horizon BCBS), insurers seek new ways to test their efficacy. In 2016, CMS introduced new models to expand upon the Bundled Payments for Care Improvement (BPCI) and Comprehensive Care for Joint Replacement (CJR) models. The new program would create new cardiac-focused EPMs, as well as broaden the scope of the current CJR model. Both models would be mandatory in nature, requiring hospital participation. However, support for mandatory model tests is mixed, at best. The new Secretary of HHS, Tom Price, has expressed concerns about episodic payments and, specifically, the mandatory component of recent CMS demonstrations. Just this week, CMS postponed the implementation of the new EPMs from July 1 to October 1, 2017, providing the new CMS leadership time to review the new models and seek comment about possibly delaying the start of the bundles until January 1, 2018. Given the apparent apprehension around mandatory models, CMS likely will focus their resources on voluntary episode payment models, such as the Bundled Payments for Care Improvement (BPCI) Initiative and the Oncology Care Model (OCM). Voluntary models, unlike their mandatory counterparts, allow providers to opt-in to participation. This way, providers can individually assess their readiness and willingness to accept financial risk, without being forced to participate before they are ready.

A key consideration in whether a provider will participate in any bundles program is the provider’s ability to take on the financial risk involved. While most providers have years of experience with the traditional fee-for-service system, which pays doctors and hospitals based on the number of medical services delivered, the new value-based care models ask providers to take responsibility for patients for a longer period of time. This is where conveners can – and do – play a significant role. Under a convener agreement, providers partner with an organization to share providers’ downside risk and access essential working capital. Conveners also deliver clinical expertise, scaled technology and management services.

The importance of conveners within bundles is paramount. Not only do the majority – over 57% – of BPCI Model 2 participant hospitals partner with a convener, but those participants that do partner with conveners choose to participate in a broader range of clinical conditions than providers that carry the entire risk themselves. For example, in the first quarter of 2017, Model 2 participants who worked with a convener selected 6.8 conditions, while those without a convener selected only 4.7 (a 45% increase). This difference suggests that working with conveners hastens the adoption of episodic payment models. Given the success of bundled payments thus far, we expect that CMS will continue to grow these programs, which only further emphasizes the need and importance of conveners’ role within these models. In addition, with CMS’ goal of reaching 50% of payments through value-based programs by 2018, conveners will continue to serve as a great tool for increasing and improving participation in bundled payment models.