



ST. FRANCIS MEDICAL CENTER

Franciscan Missionaries of Our Lady Health System

RESPONSIBLE DEPARTMENT: PATIENT CARE SERVICES	SUBJECT: CJR Program: Written Policies for Financial Arrangements
NUMBER OF PAGES: 3	REPLACES POLICY (NUMBER/DATE):
EFFECTIVE DATE: 05/30/2018	POLICY NUMBER: PCS.01.187
POLICY REVIEWED/REVISED ON:	
PURPOSE: To establish guidelines for CJR Collaborator Selection, Eligibility & Quality Criteria, NPRA Allocation, Payment Caps, Reconciliation Periods, and Payment Distribution.	
I. TYPE OF COLLABORATORS St. Francis Medical Center has elected to offer financial arrangements to Physician Group Practices and Individual Physicians who specialize in Psychiatry and Orthopedics. For an individual physician to be eligible to receive a gainsharing payment, they must meet all of the eligibility and quality criteria below:	
II. FINANCIAL ARRANGEMENT SELECTION CRITERIA Eligibility Criteria <ol style="list-style-type: none">Annual CJR / Compliance TrainingParticipate in Care Redesign by participating in 3 out of 4 quarterly meetings to improve (i) quality metrics, (ii) cost reduction, (iii) and care plan improvement and standardization.Agree to implement CJR Standardized PathwaysMeet Patient Communication RequirementsAdequacy of Care Requirements	
Quality Criteria (to applicable physician specialty): Orthopedists: <ol style="list-style-type: none">Risk Adjusted Readmission Rate is less than the national mean of 1.00 for DRG 469 / 470 for all payersRisk Adjusted Mortality Rate is less than the national mean of 1.00 DRG 469 / 470 for all payersRisk Adjusted Complication Index is less than the national mean of 1.00 DRG 469 / 470 for all payers	

Physiatrists:

1. Percent of short-stay residents re-hospitalized after nursing home admission is lower than the previous measure period.
2. Percent of short-stay residents with outpatient emergency department visits is lower than previous measure periods.
3. Percent of short-stay residents who were successfully discharged to the community is higher than the previous measure period.

III. TYPE OF FINANCIAL AGREEMENT:

Risk:

If the reconciliation results in a negative variance to target

- a. St. Francis Medical Center assumes 100% of risk
- b. Physicians assume 0% of risk

Gain:

If the reconciliation results in a Positive variance to target

- a. St. Francis Medical Center assumes 66% of the gainsharing payment
- b. Orthopedic Physicians assume 30% of the gainsharing payment
- c. Physiatry Physicians assume 4% of the gainsharing payment

Note - If a physician does not meet the established eligibility and quality metrics, the payment is retained by the hospital and is not issued.

IV. PHYSICIAN POOL DISTRIBUTION:

Orthopedist Pool Distribution

- a. Patient Percentage Amount (Weighted at 40%)
Physician Total Net Episode Spending Share = Per Collaborator Net Episode Spending / Total Episode Spending for all Physiatrist Collaborators
(example for Physician A's share: \$10,000 / \$17,500 = 57.14%)
- b. Physician Variance Amount (Weighted at 60%)
Physician Variance Amount = Per Collaborator Positive Variance Amount / Total Positive Variance Amount (note – if the physician has a negative variance, this portion is set to zero)
(example for Physician A's Share: \$1200 / \$1500 = 80%)
- c. Weighted Physician Share = (Patient Percentage Amount * 40%) + (Physician Variance Amount * 60%)
(57.1% * 40%) + (80% * 60%) = 70.9%

Physiatrist Pool Distribution

- d. Physician Total Net Episode Spending Share = Per Collaborator Net Episode Spending / Total Episode Spending for all Physiatrist Collaborators
(example for Physician A's share: \$10,000 / \$17,500 = 57.14%)

V. FINANCIAL ARRANGEMENT PAYMENT CAPS:

CJR requires that physician payments cannot exceed 50% of the total reimbursement they received. The process to ensure the cap is not exceeded is as follows:

- a. At reconciliation, each physician total reimbursements will be calculated
- b. Total Reimbursements will be multiplied by 50% to generate the capped payment amount
- c. The Capped Payment will be compared to the amount generated by the Physician Pool Distribution Formula listed in section IV of this policy.
 - a. If there is a positive Net Payment Reconciliation Amount (NPRA), the amount generated by the Physician Pool Distribution Formula is less than the cap, and all eligibility requirements are met, the physician will receive a gainsharing payment in the full amount of the amount generated by the Physician Pool Distribution Formula.
 - b. If there is a positive Net Payment Reconciliation Amount (NPRA), the amount generated by the Physician Pool Distribution Formula is more than the cap, and all eligibility requirements are met, the physician will receive a gainsharing payment in the amount of the capped payment amount.
 - c. If there is a negative NPRA, no payments will be issued.
 - d. If a physician does not all of the eligibility and applicable quality criteria, no payment will be issued.

VI. ISSUING PAYMENTS:

After the reconciliation report is issued by CMS, payments will be calculated per the formula listed in the Gainsharing Agreements. The Physician Payments will be reviewed by the Gainsharing & Compliance Committee and the Executive Committee prior to distribution.

Payments will be issued via Electronic Funds Transfer (EFT)

VII. RECONCILIATION PERIODS:

Each performance year under CJR goes through (two) reconciliation cycles.

If payments are issued to physicians in the first reconciliation period and during the second reconciliation period, that physician's payment is deemed less, then that physician will be responsible for repaying the amount owed to St. Francis Medical Center.

REFERENCES: N/A

ATTACHMENTS: N/A

Approved:

