COMPREHENSIVE CARE JOINT REPLACEMENT MODEL CONTRACTING CHECKLIST

March 2016

Your practice should know the following before considering participation in a comprehensive joint replacement (CJR) payment bundle.

KNOW YOUR BUSINESS
- You currently collect data.
- You can demonstrate outcomes for THR/TKR.
- You know your cost per case for THR/TKR.
- You know what percent of your business is derived from THR/TKR.
- You know your case mix severity.

KNOW YOUR PRACTICE
- You know how CJR fits into your business strategy and vision.
- This is your target population.
- You have the infrastructure to establish connectivity with the collaborators.
- You have the necessary clinical expertise.
- You have the necessary scheduling capacity, staff, and space.
- You know what impact your participation will have on existing patients.

KNOW YOUR MARKET
- You have researched the players in the local health care marketplace.
- You know about the partners participating in the bundle.
- You have the necessary marketing skills.
- A hospital in your area is participating in the CJR model.

KNOW YOUR CJR MODEL
- You can articulate your value proposition.
- You have assessed the pros and cons of participation.
- You understand the concept of total cost of care.
- You have assessed your risk tolerance.
- You have the skills and ability to review and interpret your bundled partners’ data.
Your practice should be aware of the following aspects of CJR.

- Medicare patients retain the freedom to choose their provider and services.
- Hospitals have target case prices set annually.
- Hospitals have target quality benchmarks.
- Contracting will likely be complicated.
- The CJR bundle has established risk stop-gaps.
- You may be treating more acute THR/TKR patients.
- You will need to foster collaboration with partners.
- Staff education will be required to succeed in this model.
- There are many unanswered questions on the model and change is anticipated.

### BUNDLED PAYMENT PROS and CONS

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>More business and revenue; more referral generators</td>
<td>Involves a specific market segment</td>
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<td>May lead to practice growth</td>
<td>May require additional space and/or staff requirements</td>
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<td>Possible profit sharing</td>
<td>Risk of financial liability after first year</td>
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<td>Facilitates collaboration with the care team</td>
<td>Ability may be limited to impact partners’ performance and successfully collaborate with the care team</td>
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<td>Pressure on providers and practice for good outcomes</td>
<td>Reliance on entire care team to achieve good outcomes</td>
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<td>Demonstrates the value of physical therapy</td>
<td>Requires data collection</td>
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<td>Ability to participate new model</td>
<td>CJR model is the first mandatory bundle and will continue to develop</td>
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<td>Potential to influence care delivery system</td>
<td>Ability to influence care pathways may be limited</td>
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<td>Encourages data collection</td>
<td>Infrastructure, including IT, needed to support data collection</td>
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<tr>
<td>Encourages development of community relationships</td>
<td>Will require resources to develop and maintain relationships</td>
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