

Additional Comprehensive Care for Joint Replacement (CJR) Model Policy Changes in Response to the COVID-19 Public Health Emergency

On October 28, 2020 the Centers for Medicare and Medicaid Services (CMS) released an interim final rule with request for comments (IFC) on “CMS’s implementation of section 3713 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. 116-136), which established Medicare Part B coverage and payment for Coronavirus Disease 2019 (COVID-19) vaccine and its administration.”¹ This fourth COVID-19 IFC addresses Medicaid enrollment flexibilities and innovation waivers, Medicare payments and price transparency for new COVID-19 treatments, and the Comprehensive Care for Joint Replacement (CJR) model.

CMS previously extended Performance Year 5 (PY5) of the CJR model to account for the impact of the COVID-19 public health emergency on CJR participant hospitals to March 31, 2021. The fourth COVID-19 IFC goes further to increase flexibilities for CJR participants, by proposing four changes to the CJR model:

1. Extension of Performance Year 5 to September 30, 2021

- a. Performance Year 5 is being extended again by six additional months and will now end on September 30, 2021.
 - i. Overall, this means a nine-month extension from the original conclusion of the model.
- b. CMS is seeking comments on the duration of PY 6, if the CJR extension is finalized.
 - i. They would like to hear feedback on potential for PYs 6 through 8 to remain 12-month performance years and to begin each with episodes ending on or after October 1 each year.
 - ii. CMS also seeks comment on increasing the duration of PY 6 to 15 months.

2. Additional Reconciliations for Performance Year 5

- a. CMS plans to divide PY5 into two subsets (PY5.1 and PY5.2) and to conduct two initial, and two final, reconciliations per subset.
 - i. PY5.1 will run from January 1, 2020 through December 31, 2021.
 - ii. PY5.2 will run from January 1, 2021 through September 30, 2021.
- b. CMS’s timeline for the reconciliations can be seen below:

¹ Centers for Medicare & Medicaid Services. (2020 October 28). *Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency*. CMS-9912-IFC IFC-4. <https://www.cms.gov/files/document/covid-vax-ifc-4.pdf>

Table 2: Timelines for Performance Years 4 and 5

Performance Year (PY)	Performance Period	Initial Reconciliation Calculation Start	Subsequent Reconciliation Calculation Start	Reconciliation Amount (+/-)
4	01/01/2019 to 12/31/2019	2 months after 12/31/2019: Late February 2020	14 months after 12/31/2019: Late February 2021	Net PY3 and PY4 reconciliation amounts
5 (two periods)	01/01/2020 to 09/30/2021			
Subset 5.1	01/01/2020 to 12/31/2021	2 months after 12/31/2020: Late February 2021	14 months after 12/31/2020: Late February 2022	Net PY4 and PY5.1 reconciliation amounts
Subset 5.2	01/01/2021 to 09/30/2021	5 months after 09/30/2021: Late February 2022	17 months after 09/30/2021: Late February 2023	Net PY5.1 and PY5.2 reconciliation

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3. DRG 521 and DRG 522

- a. In the FY 2021 IPPS/LTCH final rule, CMS proposed the creation of two new MS-DRGs, 521 and 522, for hip replacement with primary hip fracture, with and without major complications and comorbidities, respectively.
 - i. [Comments from AAOS on the IPPS Proposed Rule](#) opposed creation of these new DRGs as they seem unnecessary. AAOS stated, “While AAOS supports higher reimbursement for hip replacements with a fracture in the existing MS-DRGs 469 and 470 as well as higher target pricing for hip fractures as part of CJR, we currently do not support creating these new MS-DRGs as proposed.”
- b. “CMS believes that including DRGs 521 and 522 in the CJR episode definition is less disruptive to participant hospitals than the alternative, which would be to allow hip replacements with a primary hip fracture to drop abruptly out of the model (or to drop out of the model until we were able to undertake full notice and comment rulemaking to add them back at a later point).”³
- c. Hence, as of October 1, 2020, the quality adjusted target prices for MS-DRGs 469 and 470 with hip fracture will apply to episodes initiated by MS-DRGs 521 and 522 for the remainder of PY5.

4. Changes to Extreme and Uncontrollable Circumstances Policy for the PHE

- a. CMS is modifying the extreme and uncontrollable circumstances adjustment for COVID-19 to expire on March 31, 2021 or the last day of the emergency period, whichever is earlier.
- b. CMS is also adopting a more targeted adjustment, which will apply after March 31, 2021 or the last day of emergency period (whichever is earlier) to ensure financial safeguards continue to apply for CJR episodes during which a CJR beneficiary receives a positive COVID-19 diagnosis.

² Centers for Medicare & Medicaid Services. (2020 October 28). *Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency*. CMS-9912-IFC IFC-4. <https://www.cms.gov/files/document/covid-vax-ifc-4.pdf>

³ Centers for Medicare & Medicaid Services. (2020 October 28). *Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency*. CMS-9912-IFC IFC-4. <https://www.cms.gov/files/document/covid-vax-ifc-4.pdf>

- c. In addition, CMS will continue to cap actual episode payments at the quality adjusted target price for the episode after March 31, 2021 or the last day of the PHE, whichever occurs earlier. This effectively waives downside risk for all claims with a COVID-19 diagnosis.

CMS's press release on this IFC can be found at <https://www.cms.gov/newsroom/fact-sheets/fourth-covid-19-interim-final-rule-comment-period-ifc-4>.

The HHS-approved version of the IFC can be accessed here: <https://www.cms.gov/files/document/covid-vax-ifc-4.pdf>.

The IFC has not been posted to the Federal Register as of 11/2/20 at 12:00pm EDT. Public comments should be submitted on or before 5:00pm EDT on the date 60 days after date of display in the Federal Register.