TOWER HEALTH
BPCI ADVANCED

KEY DISCUSSION POINTS FOR PHYSICIANS

I. What is BPCI Advanced?

BPCI Advanced began on October 1, 2018. This is a voluntary bundled payment program that incentivizes hospitals and physicians to work together to improve quality and costs for any of the selected 35 clinical episodes or "bundles" (31 IP and or 4 OP). The bundle includes the acute care episode or procedure and the 90-day post-acute period. The hospital takes responsibility for coordinating the care and has financial risk for the quality and cost of care. If financial performance is better than the CMS targets, hospitals may receive additional payments from CMS; if not, hospitals will owe money to CMS.

II. Why is the hospital participating?

Tower Health maintains its commitment to being innovative with a focus on alternative payment models such as bundled payments. If successful, the model will result in streamlined, coordinated care episodes that improve quality and the patient experience and reduce costs (defined as what Medicare pays for services). As both commercial and government payors transition away from paying for volume and move toward paying for value, experience with value-driven care such as bundled payments will become ever more essential.

Several hospitals, including Brandywine, Phoenixville, and Pottstown, previously participated in a similar bundled payment model with CMS and successfully demonstrated their ability to achieve savings while maintaining quality of care over a five-year period between 2013 and 2018. In 2016, Reading Hospital began participating in Comprehensive Care for Joint Replacement (CJR), a mandatory Medicare bundled payment program focused on total joint replacement. Reading's success under CJR encouraged Tower Health to pursue a broader system-wide bundled payment strategy. This strategy now encompasses CJR, commercial bundles, and BPCI Advanced.

III. What bundles has this hospital selected?

Current hospital selections are outlined in appendix A of this document. The table has been updated to reflect the episodes continued (maintained), added (new) and/or dropped (withdrawn) for Model Year (MY) 4, starting January 1, 2021.

IV. Which patients are part of BPCI Advanced?

BPCI Advanced applies to traditional Medicare patients only, whose admission or procedure places them in one of the selected 35 bundles. Commercial and Medicare Advantage payors are not participating in this model.

V. Is there a financial opportunity for me as a physician?

Yes; the bundled payment program allows for gainsharing with physicians. If the actual cost of the bundle (Medicare payments) is less than the CMS established target price, the bundle will have a financial surplus, which can be shared with physicians.

The hospital will share savings with eligible physicians who have signed gainsharing agreements. Gainsharing agreements have been signed at the group level. Savings are determined based on a retrospective reconciliation calculation. Only after hospitals receive the additional payment from CMS will they be able to determine which physicians were involved and how much they are eligible to receive.

For the first Performance Period (PP) of the program, CMS has capped the physician payments at 50% of their professional fees for the services provided to patients in the bundle. Beginning PP2, CMS allowed the hospitals to sign an amendment (all TH Hospitals did sign) that allows the option to remove the 50% cap beginning PP2 (starts 7/1/2019). During the Q2 2020 Bundled Payment Steering meeting held in July, the committee voted to allow individual TH hospitals to remove the 50% cap beginning PP2 if they so choose. All hospitals except CHH elected to remove the cap beginning PP2 of the program. Beginning PP3 (starts 1/1/2020), CMS removed the 50% Cap rule for all participating hospitals.

VI. Does this impact my payment from Medicare?

No. Items and services included in a clinical episode under BPCI Advanced will be paid through the existing Medicare fee-for-service (FFS) mechanisms and will not result in any changes to the billing processes or FFS payment amounts.

VII. How are the gainsharing dollars calculated for the physicians?

In the Tower Health model, any financial savings will be shared at a 50% rate with the physicians. For PP1 of the program, CMS does cap the maximum payment to the physicians at 50% of your professional fees. The shifts in this rule across PP's is outlined in more detail above. If your bundles generate a positive financial amount for the hospital, those dollars will flow into a general physician funding pool for distribution to the individual physicians or physician group. Then, there are quality and financial incentives, where each component represents 50% of the payment opportunity. Quality and financial performance will "stand alone" and be measured as two separate opportunities. Appendix B outlines chosen MY3 & updated MY4 Physician Gainsharing Metrics as well as the individual Hospital's determined Physician attribution listed by specialty category.

Once payment is received, hospitals will administer any financial surplus in accordance with the funds flow model. Future distribution timing to physicians is dependent on timing of payment from CMS.

VIII. Are there any quality metrics involved with BPCI-Advanced?

Yes; a hospital can earn ±10% based upon program quality metrics. Also, the physician gainsharing agreement will contain quality metrics. Episode-specific metrics are included in Appendix B.

IX. How much financial risk will I have?

None. Physicians do not hold any financial risk under this model. The hospital assumes all responsibility if money is owed to CMS. Financial opportunity for physicians will take the form of incentive-based payments.

X. What should I know about possible payouts in the event that I am eligible to receive shared savings for a bundle?

Performance Periods (PP) in this program are 6 months in length. Generally speaking, there are 2 PP's every calendar year. CMS makes 2 payments for each PP. The first payment (True Up #1) occurs approximately 15 months following the end of a PP. This payment will include a 10% withhold for quality performance as well as any additional claims lag. Accordingly, the second payment (of up to 10%), made four months later, is considered True Up #2. The Bundled Payment Steering Committee approved that the distribution of payments to the physicians would happen in 2 phases/payments in accordance with CMS' reconciliation process: the first payment will be after each PP True Up #1 and the second will be the final payments after PP2 #2. Appendix C provides a table which speaks to both criteria for PP eligible episodes as well as future timing of CMS reconciliations and subsequent payout distributions.

XI. What is expected of me?

Tower Health has rolled out operating committees and Clinical Effectiveness Teams (CETs) to all clinical episodes that fall under BPCI Advanced, CJR, and commercial bundles. Appendix D provides a visual which speaks to the Governance Structure. The operating committees will be responsible for setting strategic direction and accountability to the overarching Tower Health Bundled Payment Steering Committee, while the Clinical Re-design CETs will be responsible for operationalizing care redesign initiatives. Each group will have one system-level clinical and administration lead. Appendix C identifies the designated leads for each committee. You may be asked to participate in a Clinical Redesign CET or implement new processes or procedures developed by the Clinical Redesign CETs.

A. Understand the Program

» Are you comfortable with your understanding of the program?

» Do you have additional questions regarding this program?

B. Do you understand the gainsharing agreement?

» Have you had a chance to review the agreement?

» Do you have any questions about the funds flow, including the 50/50 split?

» Do you have any questions about the attribution model (Appendix B)?

C. Have you been participating in any of the CET meetings?

» Are you aware that these meetings have been occurring?

» Can you attend more meetings in the future?

» If you have attended, have you found these meetings to be beneficial? If not, what changes would you suggest?

D. Care Process Improvement

» Have you actively been participating in any care redesign and standardization initiatives?

» Do you feel there is an opportunity to minimize the use of SNFs and Rehab for your patient population?

» Do you feel that you have the data needed to help drive any necessary changes?

E. Systemwide Collaboration

- How well do you know your peers at the other Tower Health hospitals and facilities?
- Do you think you could benefit for increased collaboration, particularly as it relates to the care management objectives that are part of the bundles programs?
- What can we do to help facilitate collaboration?

XII. Who can help if I have additional questions?

- Tower Health Bundle supports/teams are here as a resource to help answer your questions and identify solutions to any barriers you believe may exist in making this program a success.
- Do not hesitate to also reach out the leads identified in appendix E with any questions or feedback you may have.
- Additionally, Hospital Chief Financial Officers are available to answer questions as well as Tower Health Partners (THP) supports; contacts by location/market are listed below
- Kristen Klopp, Manager of Bundled Alternative Reimbursement is also available to help answer questions and navigate solutions.

- ☑ John Casey, MD – CEO
- ☑ Jennifer Ulrich – Director, Clinical Integration Network Development
- ☑ Nicole Genest - AVP, Clinical Integration
  - covering Jennifer while on leave beginning March 2021
  - Brandywine & Jennersville
- ☑ Terri Wickman – Provider Network Development Specialists
  - Reading, Pottstown
- ☑ Nicole Floramo, RN, FN, CLNC – Provider Network Development Specialist
  - Chestnut Hill, Phoenixville, St. Christopher's

TOWER HEALTH
BPCI ADVANCED IMPLEMENTATION

APPENDIX A: EPISODE SELECTION BY HOSPITAL

CESLG	Episodes	BH			CHH			PHX			POH			RH		
		MY 1/2	MY 3	MY 4	MY 1/2	MY 3	MY 4	MY 1/2	MY 3	MY 4	MY 1/2	MY 3	MY 4	MY 1/2	MY 3	MY 4
Medical and Critical Care	Cellulitis												✓			
	COPD	✓									✓	✓	✓		✓	
	Renal failure												✓			
	Sepsis	✓	✓		✓	✓		✓	✓			✓	✓	✓	✓	
	PNA										✓	✓	✓			
	UTI												✓			
Cardiac Care	AMI													✓	✓	
	Arrhythmia															
	CHF															
Cardiac Procedures	Cardiac defib IP															
	Cardiac defib OP															
	Cardiac valve															
	CABG															
	Pacemaker															
	PCI IP														✓	
	PCI OP													✓	✓	
	TAVR														✓	
Orthopedics	DJRLE															
	Total hip															
	Hip and femur															
	lower extremity															
	MJRLE				✓											
	MJRUE															
GI Care	Liver disorders															
	GI bleeding															
	GI obstruction															
	Bowel disease															
GI Surgery	Bariatric surgery															✓
	Major bowel procedure															✓
Neurological Care	Seizures															
	Stroke		✓												✓	
Spinal Procedures	Back and neck except spinal fusion IP															
	Back and neck except spinal fusion OP															
	Spinal fusion													✓		

Jennersville Hospital, although eligible to participate in BPCI-A, has elected to not enter the program as a participant at this time. For the TH hospitals (BH, CHH, PHX) that will not be participating in MY4, their participation in the program will end December 31, 2020. With the information we have from CMS to date, we understand that if a participant opts out of the program for MY4, they will immediately become a non-participant at that time and remain in that status for the remainder of the program, which ends December 3, 2023.

As shown in the above table, POH has selected the medical and critical care CESLG, which means they will continue with the 3 episodes (COPD, Sepsis, PNA) that were active in MY3 and will take on risk for the remainder of the episodes (Cellulitis, Renal Failure, UTI) within the CESLG beginning MY4. RH has selected the GI surgery CESLG for MY4, which includes two new clinical episodes (Bariatric Surgery, Major Bowel Procedure). RH will not be continuing with any of the MY3 clinical episodes (Sepsis, COPD, AMI, TAVR, PCI IP/OP, Stroke) and will no longer be accountable for those MY3 clinical episodes that initiate after December 31, 2020.

TOWER HEALTH
BPCI ADVANCED IMPLEMENTATION

APPENDIX B: PHYSICIAN GAINSHARING METRICS & ATTRIBUTION BY HOSPITAL

BPCI-A Model Year 3 – Tower Health Episode Participation

Hospital / Episodes	Physician GS Metrics	Attribution
Brandywine		
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalists
Stroke	» 30 day all cause readmission rate » Statin on discharge	Hospitalists Neurologist – Brian Kelly, MD
Chestnut Hill		
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalists, ED physicians
Phoenixville		
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalists, ED physicians, Infectious Disease, ICU Intensivists
Pottstown		
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalists, ED physicians, Infectious Disease
COPD	» 30 day all cause readmission rate » COPD admission order set utilization	Hospitalist, ED physicians, Pulmonology
Pneumonia	» 30 day all cause readmission rate » Discharge Summary completed within 24	Hospitalist, ED physicians, Pulmonology
Reading		
AMI	» 30 day all cause readmission rate » Excess days in acute care	Cardiology, Hospitalists
OP PCI	» 30 day all cause readmission rate » Dual anti-platelet therapy at discharge	Cardiology, Family Medicine, Internal Medicine
IP PCI	» 30 day all cause readmission rate » Dual anti-platelet therapy at discharge	Cardiology, Hospitalists
TAVR	» 30 day all cause readmission rate » Advanced Care Planning	Cardiothoracic Surgery, Interventional Cardiology: Christine McCarty, MD; Uday Dasika, MD; Matthew Nolan, MD; Michael Macciocca, MD; Eric Elgin, MD
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalist, ED, ICU Intensivists, Infectious Disease, Family Med, Internal Med
COPD	» 30 day all cause readmission rate » COPD admission order set utilization	Hospitalists, Pulmonary, Family Medicine, Internal Medicine
Stroke	» 30 day all cause readmission rate » Advanced Care Planning	ED, Hospitalists, Neurology, Neuro Intensivist, Post-Acute Hospitalists, PM&R (Physiatry/rehab Physicians)

BPCI-A Model Year 4 – Tower Health Episode Participation

Hospital / Episodes	Physician GS Metrics	Attribution
Pottstown		
Sepsis	» 30 day all cause readmission rate » Mortality rate	Hospitalists, ED physicians, Infectious Disease
COPD	» 30 day all cause readmission rate » COPD admission order set utilization	Hospitalist, ED physicians, Pulmonology
Pneumonia	» 30 day all cause readmission rate » Discharge Summary completed within 24 hours of patient discharge	Hospitalist, ED physicians, Pulmonology
Urinary Tract Infection	» 30 day all cause readmission rate » Consult to Infectious Disease completed within 24 hours of admission	Hospitalists, ED physicians, Infectious Disease
Cellulitis	» 30 day all cause readmission rate » Consult to Infectious Disease completed within 24 hours of admission	Hospitalists, ED physicians, Infectious Disease
Renal Failure	» 30 day all cause readmission rate » Consult to Nephrology completed within 24 hours of admission	Hospitalist, ED physicians, Nephrology
Reading		
Major Bowel Procedure	N/A N/A	No Physicians Attributed
Bariatric Surgery	» 30 day all cause readmission rate » Dual anti-platelet therapy at discharge	Bariatric Surgeon

TOWER HEALTH
BPCI ADVANCED IMPLEMENTATION

APPENDIX C: CMS Reconciliations & Subsequent Payout Distributions

Similar to the October 2020 payout process, eligible physicians will receive informational letters regarding payments. Hospital CFOs will receive detailed payout information packets to address physician questions.

PP	Nov. 2019[1]	June 2020	Oct. 2020	Nov. 2020[2]	Apr. 2021	June 2021	Oct. 2021	Nov. 2021	Feb. 2022	June 2022	Oct. 2022	Nov. 2022
PP1	Initial Recon.	True-Up 1	Initial Physician Distribution	True-Up 2	Final Physician Distribution	-	-	-	-	-	-	-
PP2	-	Initial Recon.	-	True-Up 1	Initial Physician Distribution	True-Up 2	Final Physician Distribution	-	-	-	-	-
PP3	-	-	-	Initial Recon.	-	True-Up 1	Initial Physician Distribution	True-Up 2	Final Physician Distribution	-	-	-
PP4	-	-	-	-	-	Initial Recon.	-	True-Up 1	Initial Physician Distribution	True-Up 2	Final Physician Distribution	-
PP5	-	-	-	-	-	-	-	Initial Recon.	-	True-Up 1	Initial Physician Distribution	True-Up 2

[1] TH physicians with a collaborator agreement are eligible for gainsharing payments for episodes with an anchor discharge date after January 1, 2019.

[2] PHX, CHH, and RH opted out of reconciliation for MY3 clinical episodes that are attributed to PP3 and PP4. BR and POH opted to remain in reconciliation for MY3 clinical episodes that are attributed to PP3 and PP4, excluding episodes with a COVID-19 diagnosis.

Note: The above dates are anticipated; physician distribution is dependent on when TH receives payment from CMS as well as internal administrative processing resources

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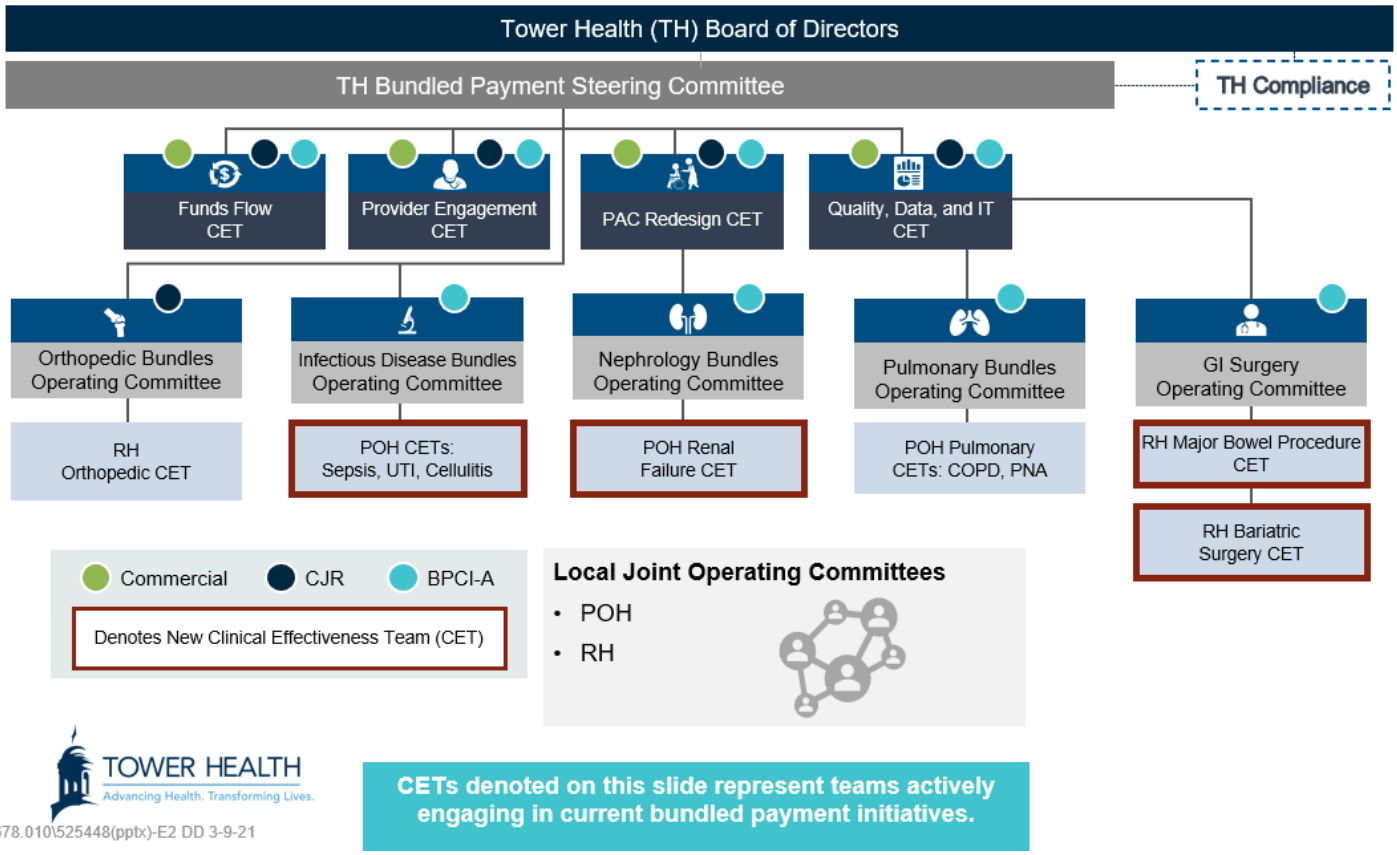
BPCI ADVANCED IMPLEMENTATION

APPENDIX D: Governance Structure



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CETs denoted on this slide represent teams actively engaging in current bundled payment initiatives.

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APPENDIX E: Clinical and Administrative Leads

IV. Implementation
Leadership Designations

	Leadership	
	Clinical	**Administrative**
Program CETs		
Funds Flow CET	n/a	• Rob Ehinger
Quality, Data, and IT CET	n/a	• David Schlappy • Michelle Trupp
Provider Engagement CET	• John Casey, MD • Suzanne Wenderoth, MD	• Therese Sucher
PAC Redesign CET	• Kelley Crozier, MD • Walter Bohnenblust, MD	• Carl Seidl • Dawn Dreibelbis
Clinical Redesign CETs		
• **Orthopedic**: RH Clinical Redesign: MJRLE	• John Casey, MD	• Carl Seidl • Lynn Burkett
• **Infectious Disease**: POH Clinical Redesign: Sepsis, UTI, Cellulitis	• Debra Powell, MD	• Marie Keim
• **Nephrology**: POH Clinical Redesign: Renal Failure	• Zia Umrudden, MD	• Sue Keown
• **Pulmonary**: • POH: Clinical Redesign: COPD, PNA	• James Kim, MD	• Carl Seidl
• **GI Surgery**: • RH Clinical Redesign: Major Bowel Procedure, Bariatric Surgery	• Michael Brown, MD • Stephan Myers, MD	• Lisa Baro

Table updated: March 2021

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Kristen Klopp, Manager of Bundled Alternative Reimbursement for Tower Health, can also be contacted for any General BPCI-A program questions