

A Race to The Bottom: The Impact of 8 Years of CJR Participation in an Orthopedic-Specialty Hospital

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INTRODUCTION: Centers for Medicare and Medicaid Services (CMS) continue to transition from Fee-For-Service to Bundled Payment models for total hip (THA) and total knee arthroplasty (TKA) with the goal of improving quality and reducing cost. Our orthopedic specialty hospital recently completed full participation in the Comprehensive Care for Joint Replacement (CJR) Model from 2016 to 2024. The effect of bundled payments on care quality and cost during participation in the program was reviewed to evaluate the impact on care.

METHODS: Institutional CJR monitoring database and public CMS reconciliation reports from April 2016 to December 2024 were reviewed. Quality parameters collected included length of stay, discharge disposition, resource utilization, CMS composite quality score (CQS), readmission, and complication rates. Cost parameters included episodic expenditures, target price, and reconciliation.

RESULTS: A total of 9751 primary arthroplasties were identified for inclusion. Length of stay and non-home discharge decreased in accordance with national trends. There was no difference in readmission, complication, or CQS, measured as “Excellent” at all timepoints. Despite decreasing target prices that failed to match inflation, there was no change in per episode expenditure for TKAs, and an increase of \$2,048 for THAs. To meet declining target prices, there was significant decrease in utilization and episodic cost of home health, decreasing from 99.4% to 42.1%, at a reduction of \$2,412.

DISCUSSION AND CONCLUSION: For this orthopedic-specialty hospital, CJR participation failed to trigger substantive benefits in care quality or cost savings. Following removal from the inpatient-only list, arthroplasty inpatients under CJR became a substantial financial loss, underscoring concerns of institutional “risk selection” limiting access to care. Decreasing target prices that failed to match inflation accelerated reductions in patient services, particularly home health. Future payment models ought to iterate on the successes and failures of CJR, particularly to mitigate this concerning “race to the bottom” phenomenon.

Episode Spending Breakdown Between Years 1 and 8

