Will you succeed in CJR-X?

How to Build a CMS-Aligned View of Your Bundled Payments

Pamela Pelizzari, Principal
Alyssa Pennini, Senior Healthcare Product Director

VBCExhibitHall.com
Educational Webinar Series

SEPTEMBER 24, 2026

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Meet the Milliman Team

Pamela Pelizzari
Milliman
Principal

Alyssa Pennini
Milliman
Senior Healthcare Product Director

Agenda

Welcome	▪ Introductions
The Basics	▪ What to expect in TEAM and CJR-X
Why Now?	▪ What you can do to set yourself up for success early
Key Questions	▪ What does your organization need to know
Planning	▪ What are the key dates and what to prepare for next

Poll 1

Which teams do you primarily represent or support?

- Clinicians and care teams
- Quality and patient safety
- Finance, actuarial, and contracting
- Population health, payers, and value-based care
- Other (let us know in the chat)

Poll 2

How prepared do you feel to support CJR-X at your hospital in 2028?

- Very prepared - I already hit the ground running
- Somewhat prepared - strong in some areas; need improvement in others
- Not prepared - significant work needed
- Not applicable - I’m not a CJR-X participant

Today's goal

Create a focused strategy for success in CJR-X, and identify gaps for immediate intervention

The countdown to CJR-X is on – so the time is now to focus on closing the gaps.

The Basics

What to expect in a CMS bundled payment program

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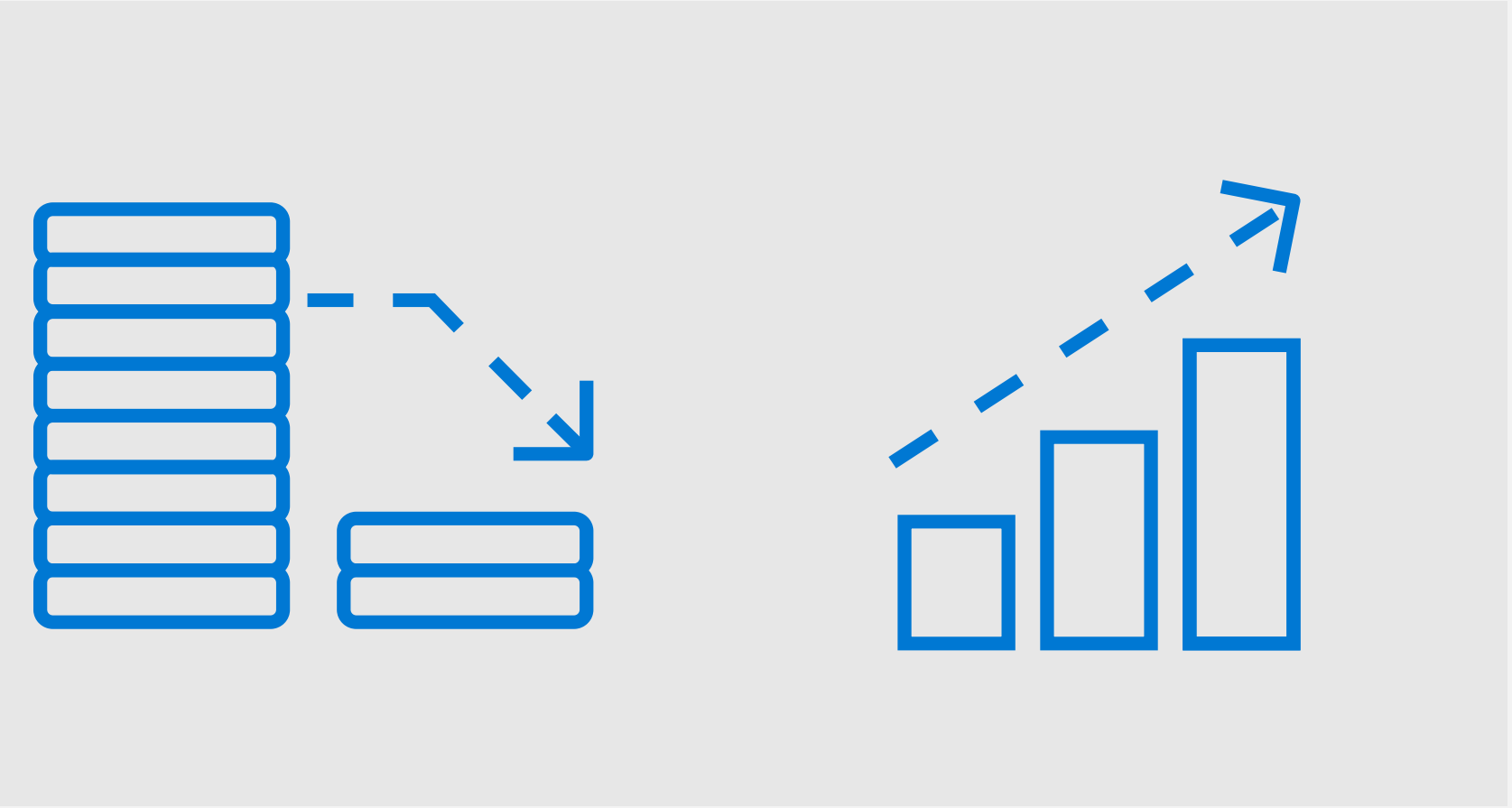
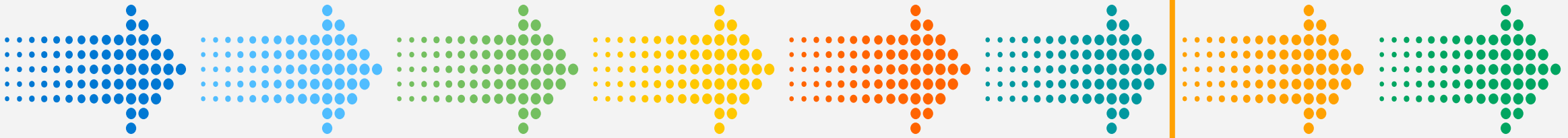
Why Bundled Payments?

Bundled payments are a value-based financial model, aiming to lower costs and increase quality by holding providers accountable for episodes of care.



History of CMS Bundled Payment Models



Apr 2013

Bundled Payments for Care Improvement (BPCI)

Apr 2016

Comprehensive Care for Joint Replacement (CJR)

Jul 2016

Oncology Care Model (OCM)

Oct 2018

Bundled Payments for Care Improvement Advanced (BPCI A)

Jul 2023

Enhancing Oncology Model (EOM)

Jul 2025

EOM Cohort Two

Jan 2026

Transforming Episode Accountability Model (TEAM)

Jan 2028

Comprehensive Care for Joint Replacement - Expanded (CJR-X)

Today's focus – mandatory risk

CJR-X

An overview and how it will impact your organization

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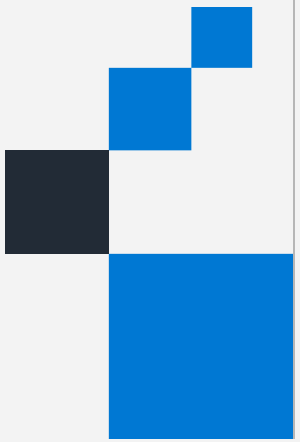
What is the Comprehensive Care for Joint Replacement Expanded (CJR-X)?

Overview

CJR-X is a nationwide *mandatory* episode-based model



Who is impacted?

Acute care hospitals paid under both the IPPS and OPPS, not selected for participation in TEAM (and not in Maryland)

How do payments flow?

Payments in real-time are unchanged, with a retrospective reconciliation after each performance year

How are targets set?

Based on risk-adjusted and trended regional historical spending, adjusted for quality performance

What is the level of risk?

Upside and downside risk (20%) with limited downside risk (5%) for certain hospital types

How does CJR-X differ from TEAM?

Episodes

Hospitals Included

- CJR-X covers all eligible hospitals nationally, except those already included in TEAM or those located in Maryland

Episode Definition

- CJR-X has only one episode, Lower extremity joint replacement (LEJR)
- CJR-X episodes include services within 90 days following the anchor discharge or procedure, significantly longer than TEAM's 30 days

Quality Metrics and Impact

- CJR-X has a set of more established and focused quality measures, including patient-reported outcomes for both inpatient and outpatient cases, compared to TEAM
- CJR-X uses quality as a threshold for payment (lowest-scoring hospitals **cannot** achieve savings)

What patterns have we seen as CMS launched TEAM (1/1/2026)?

Use of many legacy systems

- CMS has learned how to run models using various tools and contractors – and we're seeing the same structures, and issues, with this model.

Lack of key details

- Communication from CMS related to participant questions has not always been consistent – we have seen some questions answered quickly, and some go unanswered.

Data delays and errors

- The data needed to support the model was slow to arrive and has already undergone multiple rounds of revision.

Performance Management – Why now?

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What is needed to succeed in TEAM and CJR-X?

On-The-Ground Operations

Clinical Leadership

Analytic Infrastructure

Long Term Impacts of CJR-X Management

- We are seeing **substantial challenges** among TEAM participants who didn't start early:
  - Lack of clear care management goals
  - Lack of buy-in from key clinical and operational stakeholders
  - Shortfalls in post-acute KPIs

- **Now is the time to start planning, so you can avoid these issues in CJR-X.**

Key Questions for CJR-X Participants

And how you can answer them, **with time to intervene.**

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Key questions for CJR-X participants:

1. What is my projected CJR-X episode volume?
2. How significant is that volume, and cost, in my total book of business?
3. How will I perform against projected CJR-X targets?
4. How do my post-acute care patterns compare to national or regional benchmarks?
5. Do I have the internal support to succeed in care transformation?

Use the data that is available now to understand financial impacts

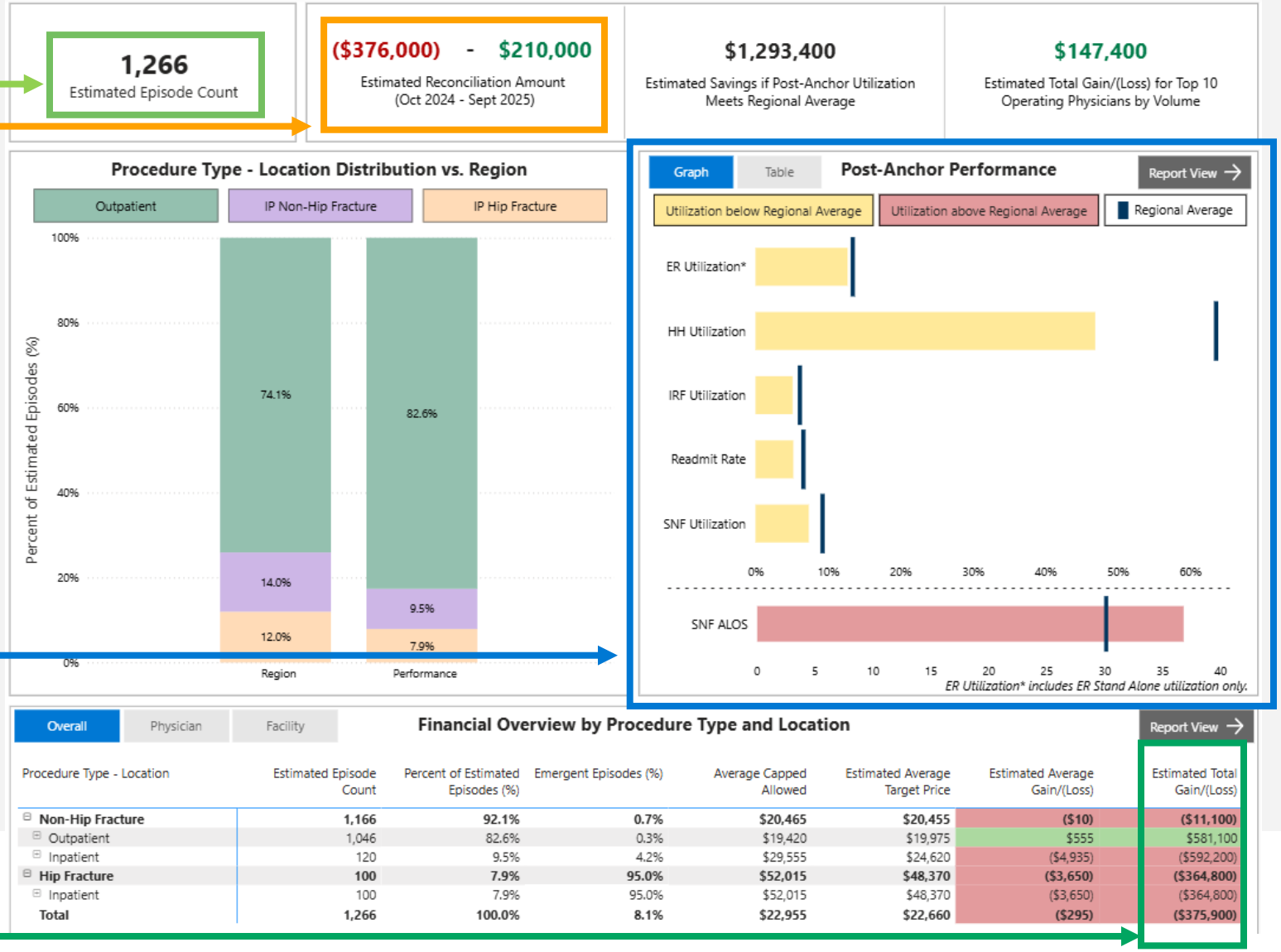
What is my total episode volume, and thus my total financial exposure?

How many episodes will I be held accountable for?

What is the total expected gain or loss?

How is my post-acute performance? Is there opportunity to improve?

How does that gain or loss break down across patients?



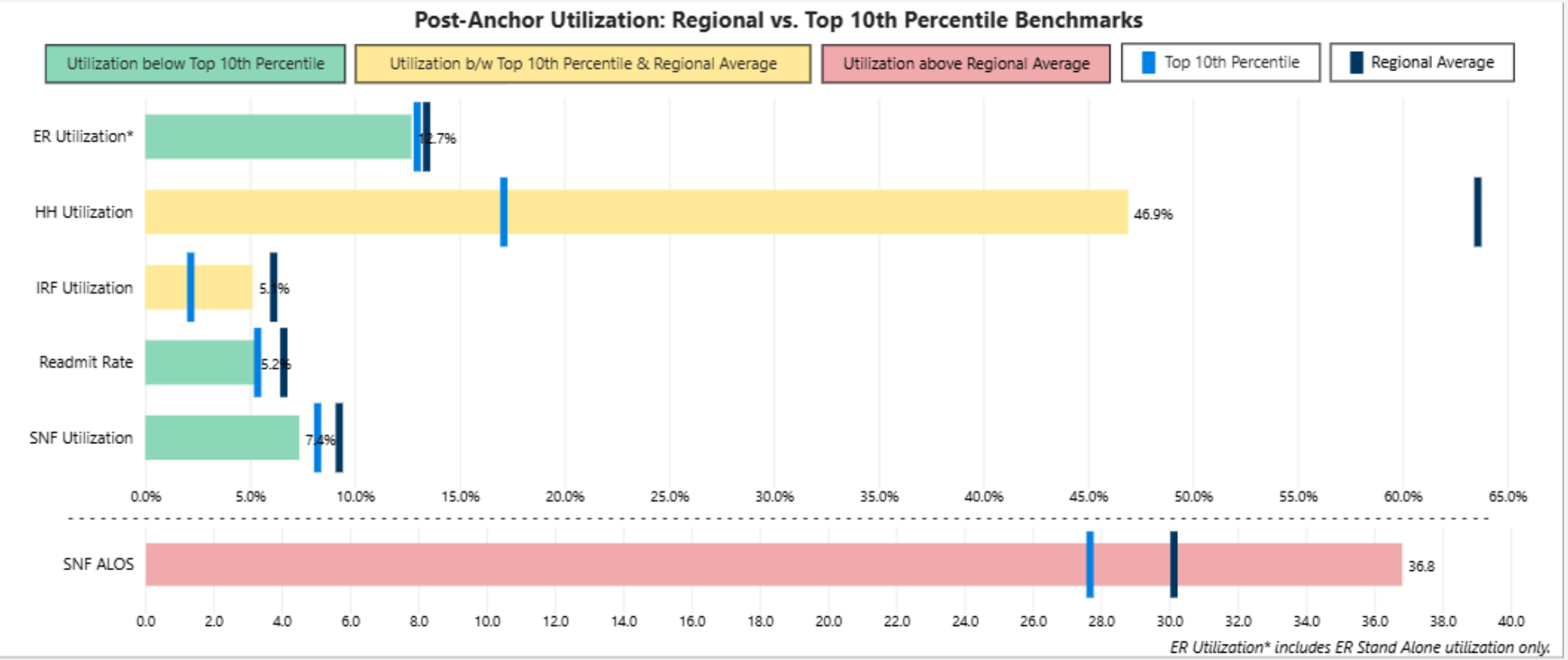
Procedure Type - Location	Estimated Episode Count	Percent of Estimated Episodes (%)	Emergent Episodes (%)	Average Capped Allowed	Estimated Average Target Price	Estimated Average Gain/(Loss)	Estimated Total Gain/(Loss)
Non-Hip Fracture	**1,166**	**92.1%**	**0.7%**	**$20,465**	**$20,455**	**($10)**	**($11,100)**
Outpatient	1,046	82.6%	0.3%	$19,420	$19,975	$555	$581,100
Inpatient	120	9.5%	4.2%	$29,555	$24,620	($4,935)	($592,200)
Hip Fracture	**100**	**7.9%**	**95.0%**	**$52,015**	**$48,370**	**($3,650)**	**($364,800)**
Inpatient	100	7.9%	95.0%	$52,015	$48,370	($3,650)	($364,800)
Total	**1,266**	**100.0%**	**8.1%**	**$22,955**	**$22,660**	**($295)**	**($375,900)**

Zoom in on the metrics that really matter

How can post-acute care drive savings?

What post-acute care opportunity do I have?

How does my utilization compare to benchmarks, and how could that translate into savings?



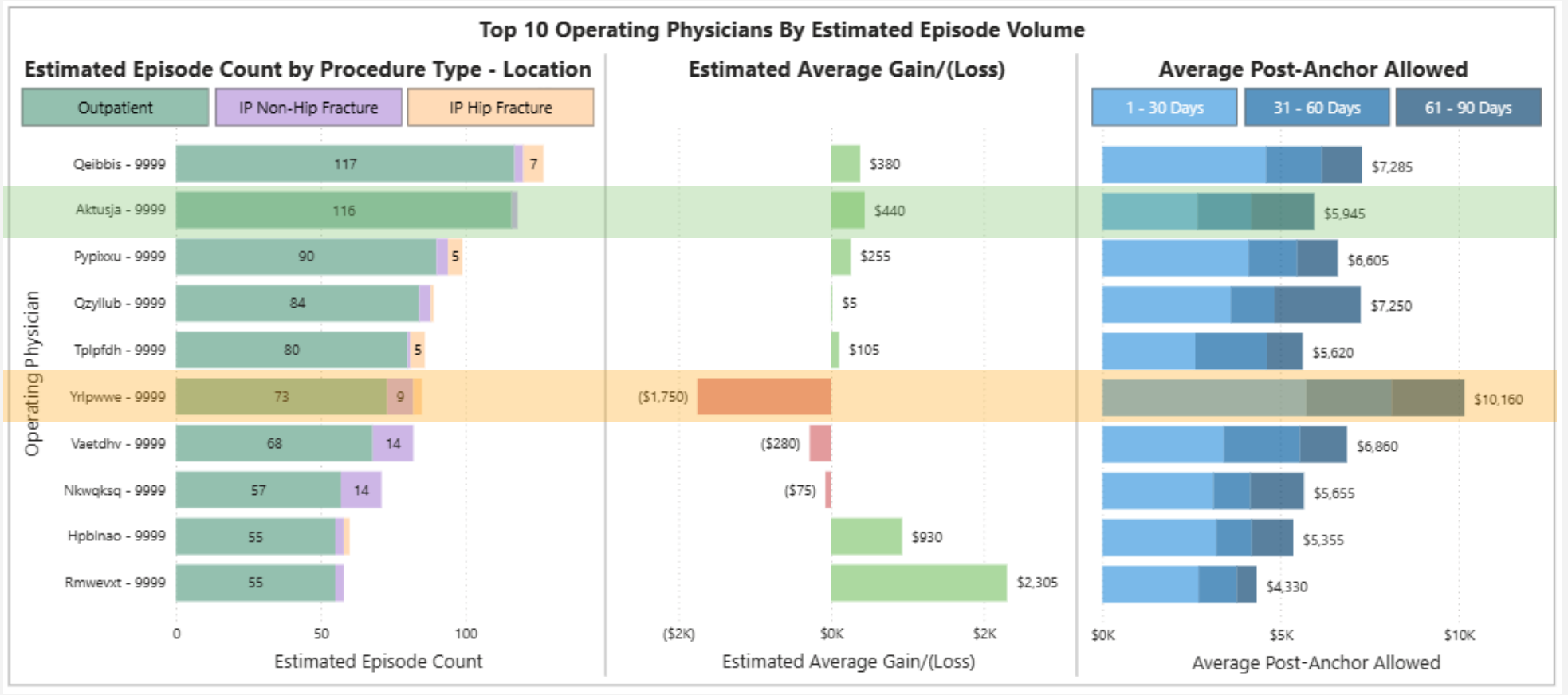
Post-Anchor Site	Estimated Episode Count	Post-Anchor Utilization	Regional Average Benchmark	Est Reduction if Util Shifted 100% Towards Reg Avg	Est Savings if Util Shifted 100% Towards Reg Avg	Top 10th Percentile Benchmark	Est Reduction if Util Shifted 100% Towards Top 10th Percentile	Est Savings if Util Shifted 100% Towards Top 10th Percentile
ER Stand Alone Utilization	1,266	12.7%	13.4%	0.0%	$9,500	13.0%	0.0%	$12,800
HH Utilization	1,266	46.9%	63.6%	0.0%	$19,300	17.1%	29.8%	$950,400
IRF Utilization	1,266	5.1%	6.1%	0.0%	$252,100	2.2%	3.0%	$1,053,300
Readmit Rate	1,266	5.2%	6.6%	0.0%	$66,700	5.4%	0.0%	$92,200
SNF Utilization	1,266	7.4%	9.3%	0.0%	$532,900	8.2%	0.0%	$588,200
SNF ALOS	1,266	36.8	30.1	6.7	$413,000	27.7	9.1	$576,100
Total	**1,266**				**$1,293,400**			**$3,273,100**

Surface physician-level variability

How can you incentivize physicians to work more efficiently?

High-volume physicians who show savings can provide context for the results of others – what is driving savings?

Physicians that show losses may unearth useful patterns.



Poll 3

Which area is your biggest barrier to success under CJR-X?

- Data availability and analytics
- Quality performance improvement
- Post-acute care performance improvement
- Cross-organizational collaboration

Translate your data to future savings

Three areas where early visibility converts directly into dollars – an example for a small hospital system

POTENTIAL FINANCIAL EXPOSURE (BASED ON STOP-LOSS)

$8,000,000

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Financial Impact

If CJR-X occurred in 2025, your CJR-X mandated hospitals would be held financially accountable for **more than 1,600 episodes**, with total episode spending **over $40 million.**

This high episode volume puts your potential financial exposure upwards of **$8 million** for 2025 alone (based on stop-loss).

02

Post-Acute Savings

There is substantial variation in post-acute utilization patterns across your CJR-X mandated hospitals, highlighting the need for detailed, facility-level insights.

For example, three of your hospitals could save **over $200K each** if SNF utilization moved to the regional average and five hospitals could save **over $100K each** if they reduced their readmissions to the regional average.

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Physician Variation

There can be substantial variation in performance between operating physicians, highlighting the need for detailed operating physician (OP) insights that support meaningful discussions around care pattern changes.

For example, two high-volume physicians have a similar patient mix, **but one is discharging patients to SNFs at nearly double benchmark rates.**

Planning

What are the key dates and what to prepare for next

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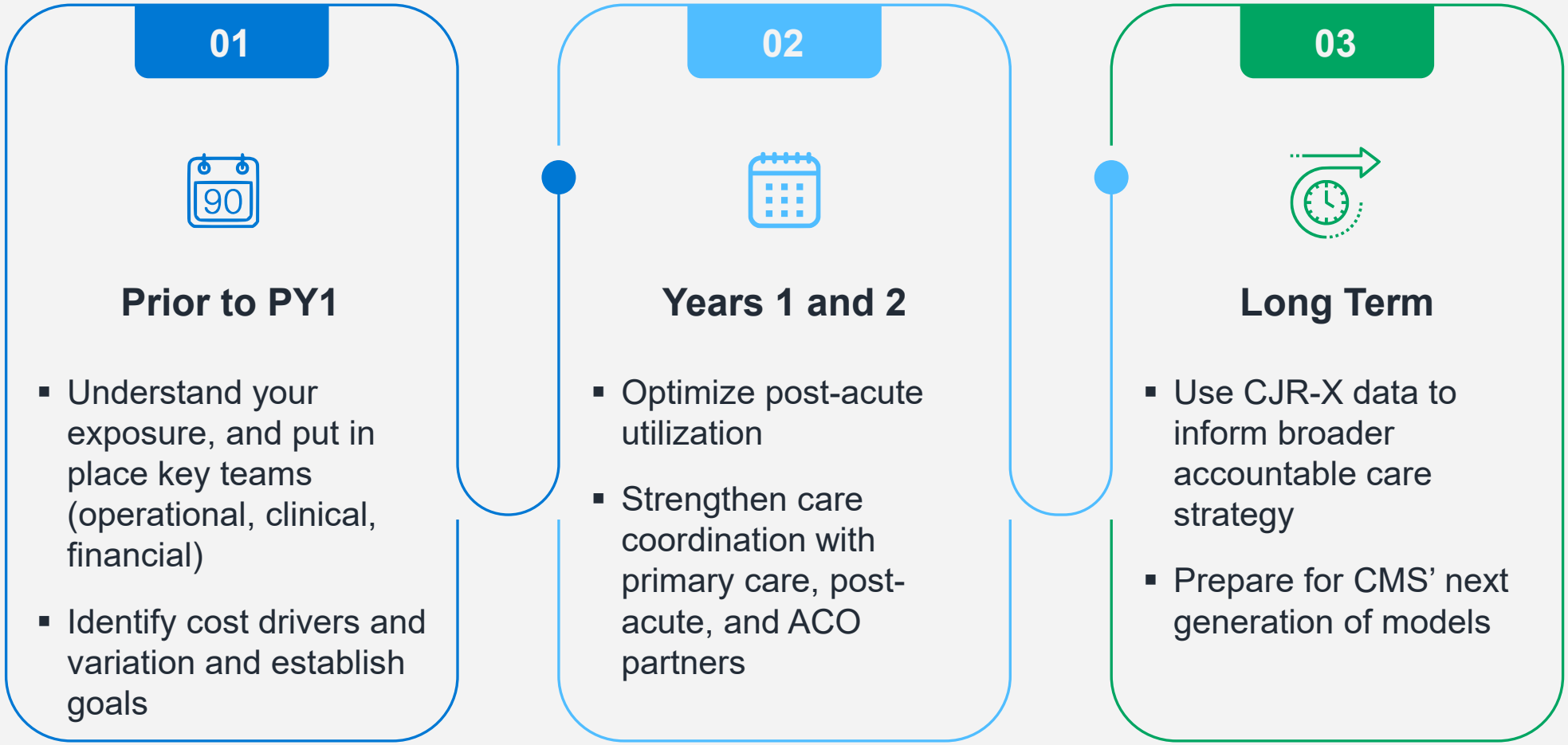
How to Establish an Action Plan



Framework for Evaluating Model Readiness

Financial

- Given the benchmarking methodology and historical performance, do you have a reasonable chance to succeed in the model?

Clinical

- Do you have clinical champions in key areas, willing to drive change?
- Does the model offer access to valuable tools, such as waivers?

Operational

- Do you have the people, process, technology you need to be successful in the model?

Relationships

- Do you have a broad enough network of providers to succeed in the model? If not, can you build one, or join one?

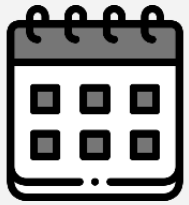
Next Steps for Mandatory Participants

Analyze historical research data, as well as CMS-provided historical data, to inform preparation for participation based on volume, utilization, and opportunity

Work with internal stakeholders to better understand the implications of the program, align resources to manage the day-to-day, and focus on any service line modifications to achieve successful outcomes

Make a plan for ongoing data support to track your progress towards utilization and cost savings goals

CJR-X is Coming, Whether You are Ready or Not.



Schedule **a CJR-X performance review with our Milliman MedInsight experts**. We will cover your clinical, financial, operational, and relationship-based opportunities and challenges.

Learn more how Milliman MedInsight tools can help facilitate your success. Book a call or demo. Contact us at info@medinsight.com

CJR-X is mandatory, but it is also a bridge to a value-based future.
Prepare now to maximize your success.

Q&A

Please drop your questions in the chat.

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Thank you

Pamela Pelizzari
pamela.pelizzari@milliman.com

Alyssa Pennini
alyssa.pennini@milliman.com