

- Established by the State Legislature
- Goal to improve quality, health outcomes, and cost-effectiveness of care in Washington State
- Bring together member clinicians, Washington State agencies, hospitals, health care systems, health insurance plans, and quality improvement organizations
- Select health care topics every year and develop evidence-based recommendations by convening workgroups of clinical experts, administrative experts, patients, and others
- Recommendations guide health care purchasing for Washington State agencies and set a community standard of care.

Why bundled payments?

The majority of health care payments are for number of services provided rather than quality of care or per person or per episode of care. Bundled payments tie reimbursement to an entire episode of care while the warranty includes no reimbursement for complications resulting from poor care. We chose to first focus on knee and hip replacements due to the high volume of these procedures and the high variability in how the procedures are performed.

Our Bundled Payment Model and Warranty:

Four Cycles	Impairment Due to Osteoarthritis Despite Non-Surgical Therapy	<p>Prior to surgery, clearly documented impairment and evidence of osteoarthritis according to standardized radiographic criteria. Unless highly disabling osteoarthritis is evident at the time the patient first seeks medical attention, a trial of conservative therapy is appropriate. This includes documenting:</p> <ul style="list-style-type: none"> • Impairment • Radiological findings • Shared decision-making • Conservative therapy for at least three months unless symptoms are severe and x-ray findings show advanced osteoarthritis • Failure of non-surgical therapy
	Fitness for Surgery	<p>Patient meets minimal standards to ensure safety and commitment to participate actively in return to function. If patient does not meet fitness for surgery standards, case should be discussed in a multidisciplinary conference with members relevant to the standard in question as chosen by the care team. This includes documenting:</p> <ul style="list-style-type: none"> • Requirements related to patient safety • Patient engagement • Optimal preparation for surgery
	Repair of the Osteoarthritic Joint	<ul style="list-style-type: none"> • General standards for a surgical team performing total joint replacement surgery • Elements of optimal surgical process • Selection of the surgical implant
	Post-Operative Care and Return to Function	<ul style="list-style-type: none"> • Standard process for post-operative care • Use standardized hospital discharge process aligned with Washington State Hospital Association toolkit • Arrange home health services • Schedule follow up appointments

+ **Quality standards:** appropriateness, evidence-based surgery, ensuring rapid return to function, the patient care experience, and patient safety and affordability.

+ **Warranty:** purchaser will not provide reimbursement for readmission for avoidable complications within the risk windows specified at 7, 30, and 90 days.