

Bundled payment model reduces health disparities for Black patients

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A new nationwide model of care for hip and knee joint replacements appears to reduce disparities in health outcomes for Black patients, according to new research led by Oregon Health & Science University.

Researchers examined [health outcomes](#) for about 700,000 patients who underwent joint replacement procedures through Medicare between 2013 and 2017. The study examined differences in outcomes before and after April 2016, when Medicare adopted a model called Comprehensive Care for Joint Replacement, a bundled payment model designed to reduce spending and improve outcomes for all joint replacement patients.

The review is published by the journal *JAMA Network Open*.

The retrospective study examined three key metrics: spending, discharges to institutional post-acute care and hospital readmission. It compared outcomes for patients self-identified as white, Black and Hispanic.

Taken together, the results showed improved outcomes for Black patients and mixed results for Hispanic patients compared with those who are white.

Although Black patients were discharged to institutional post-acute care more than [white patients](#), the gap narrowed under the new bundled payment model. Readmission risk decreased about 3 percentage points for Black patients under the new model, and stayed roughly the same for Hispanic and white patients.

"I was surprised the readmission rate decreased for Black patients," said corresponding author Hyunjee Kim, Ph.D., a health economist with the OHSU Center for Health Systems Effectiveness. "When you combine it with lower rates of institutional post-acute care, you're seeing better overall care."

The bundled payment plan was enacted in April 2016 to reduce cost and improve care for the single most common inpatient procedure for Medicare beneficiaries. Hip and knee replacements alone account for 5% of total Medicare inpatient spending.

The OHSU-led [retrospective study](#) is the first to gauge the plan's comparative effect on Black and Hispanic patients, who have historically had worse outcomes compared with white patients.

Overall, the study found substantially reduced use of institutional post-[acute care](#) for all groups.

"These represent relative improvements, a notable finding given general concerns that value-based payment models may exacerbate care for racial/ethnic minorities," the authors concluded. "Nonetheless, racial/ethnic differences in [joint replacement](#) care still persist, indicating the need for additional and sustained efforts to create an equitable health care system."

More information: *JAMA Network Open* (2020).

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