

after the lack of inclusion of MSAs in Alabama and Georgia.

*Response:* We considered but ultimately decided against including the dimension based on the demographic characteristics of an MSA incorporated in the selection strata. If we were to have done so, the purpose would have been to ensure an adequate representation along the range of these demographic considerations rather than to eliminate them from possible selection. While these factors are not explicitly part of the selection strata used, the resulting selected MSAs provide an adequate representation of a variety of circumstances including the experiences of areas with a higher degree of non-white populations, MSAs with a range in average income level, and other key characteristics. With regards to the specific concerns regarding under-representation in the MSAs selected from specific states, we note that Alabama, which has relatively high episode costs, had three of its seven eligible MSAs selected while Georgia, whose MSAs had episode payments that indicated relatively more efficient patterns of care, had two of its six eligible MSAs selected. As such, we believe that the experiences of these states and MSAs that are similar in nature to them are adequately represented in the selected MSAs.

*Comment:* A commenter requested clarification regarding how to interpret which MSAs are included in the model.

*Response:* We refer readers to Table 4 for a final list of the MSAs that are in the CJR model.

*Final Decision:* After consideration of the public comments we received, we are finalizing the proposal, with modification to include 67 of the originally selected 75 MSAs. We used updated BPCI participation level information in the application of the MSA exclusion rules for this final rule, resulting in the exclusion of an additional 8 MSAs that were previously selected. We note that we are posting the list of the participant hospitals in the selected MSAs on the CJR Web site at <http://innovation.cms.gov/initiatives/CJR/>. This list will be updated throughout the model, to account for circumstances such as hospital mergers, BPCI termination, and new hospitals within the selected MSAs.

We set forth this final policy in § 510.100 and § 510.105.

TABLE 4—MSAS INCLUDED IN THE CJR MODEL

MSA	MSA Name
10420	Akron, OH

TABLE 4—MSAS INCLUDED IN THE CJR MODEL—Continued

MSA	MSA Name
10740	Albuquerque, NM
11700	Asheville, NC
12020	Athens-Clarke County, GA
12420	Austin-Round Rock, TX
13140	Beaumont-Port Arthur, TX
13900	Bismarck, ND
14500	Boulder, CO
15380	Buffalo-Cheektowaga-Niagara Falls, NY
16020	Cape Girardeau, MO-IL
16180	Carson City, NV
16740	Charlotte-Concord-Gastonia, NC-SC
17140	Cincinnati, OH-KY-IN
17860	Columbia, MO
18580	Corpus Christi, TX
19500	Decatur, IL
19740	Denver-Aurora-Lakewood, CO
20020	Dothan, AL
20500	Durham-Chapel Hill, NC
22420	Flint, MI
22500	Florence, SC
23540	Gainesville, FL
23580	Gainesville, GA
24780	Greenville, NC
25420	Harrisburg-Carlisle, PA
26300	Hot Springs, AR
26900	Indianapolis-Carmel-Anderson, IN
28140	Kansas City, MO-KS
28660	Killeen-Temple, TX
30700	Lincoln, NE
31080	Los Angeles-Long Beach-Anaheim, CA
31180	Lubbock, TX
31540	Madison, WI
32820	Memphis, TN-MS-AR
33100	Miami-Fort Lauderdale-West Palm Beach, FL
33340	Milwaukee-Waukesha-West Allis, WI
33700	Modesto, CA
33740	Monroe, LA
33860	Montgomery, AL
34940	Naples-Immokalee-Marco Island, FL
34980	Nashville-Davidson-Murfreesboro-Franklin, TN
35300	New Haven-Milford, CT
35380	New Orleans-Metairie, LA
35620	New York-Newark-Jersey City, NY-NJ-PA
35980	Norwich-New London, CT
36260	Ogden-Clearfield, UT
36420	Oklahoma City, OK
36740	Orlando-Kissimmee-Sanford, FL
37860	Pensacola-Ferry Pass-Brent, FL
38300	Pittsburgh, PA
38940	Port St. Lucie, FL
38900	Portland-Vancouver-Hillsboro, OR-WA
39340	Provo-Orem, UT
39740	Reading, PA
40980	Saginaw, MI
41860	San Francisco-Oakland-Hayward, CA
42660	Seattle-Tacoma-Bellevue, WA
42680	Sebastian-Vero Beach, FL
43780	South Bend-Mishawaka, IN-MI
41180	St. Louis, MO-IL
44420	Staunton-Waynesboro, VA
45300	Tampa-St. Petersburg-Clearwater, FL
45780	Toledo, OH
45820	Topeka, KS

TABLE 4—MSAS INCLUDED IN THE CJR MODEL—Continued

MSA	MSA Name
46220	Tuscaloosa, AL
46340	Tyler, TX
48620	Wichita, KS

*B. Episode Definition for the CJR Model*

1. Background

CJR model is an episode payment model, focused on incentivizing health care providers to improve the efficiency and quality of care for an episode of care as experienced by a Medicare beneficiary by bundling payment for services furnished to the beneficiary for an episode of care for a specific clinical condition over a defined period of time. Key policies of such a model include the definition of episodes of care. Episodes of care have two significant dimensions—(1) A clinical dimension that describes what clinical conditions and associated services comprise the episode; and (2) a time dimension that describes the beginning, middle, and end of an episode. We present our proposals, summarize public comments and provide our responses, and finalize the policies for these two dimensions of CJR episodes in this section.

2. Clinical Dimension of Episodes of Care

a. Definition of the Clinical Conditions Included in the Episode

As discussed previously in section I.A. of this final rule, we identified LEJR episodes, primarily hip and knee replacements, as the focus of this model. In the proposed rule, we stated our belief that a straightforward approach for hospitals and other providers to identify Medicare beneficiaries in this payment model is important for the care redesign that is required for model success, as well as to operationalize the proposed payment and other model policies.

The vast majority of LEJRs are furnished in the inpatient hospital setting, with a small fraction of partial knee replacements occurring in the hospital outpatient department (HOPD) setting. Most of the Current Procedural Terminology (CPT) codes that physicians report for LEJR are on the hospital OPPS inpatient only list. The CY 2015 OPPS inpatient only list is Addendum E of the CY 2015 Hospital Outpatient Prospective Payment—Final Rule with Comment Period, which is available on the CMS Web site at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Regulations-and-Notices-Items/CMS->