

## **Bundling post-acute care services**

**ISSUE:** Post-acute care use varies widely in part because the need for which and how much service is not clear, fee-for-service payments encourage service use, and there is no incentive for any provider to control the total costs to treat a beneficiary after a hospitalization. Bundled payments create incentives for providers to lower the costs of care across settings and to improve the quality of care beneficiaries receive. At the same time, they represent an opportunity for the program to lower its spending. Yet, bundled payments must be designed carefully to avoid increased volume, stinting, or patient selection.

**KEY POINTS:** Staff will outline the key decisions about a bundle design—the services included, the time period covered, and how to establish payments for them. In addition related issues will be raised for discussion.

**ACTION:** Commissioners should comment on the bundling alternatives and future analyses staff should undertake.

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