

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

**ISSUE:** Post-acute care use varies widely in part because whether and how much service is needed is not clear. Furthermore, 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.

Well-constructed bundled payments can create incentives for providers to lower the costs of care across settings and to improve the quality of care beneficiaries receive. However, the bundles must be designed carefully to avoid increased volume, stinting, or patient selection.

**KEY POINTS:** Staff will present information related to key design decisions regarding the definition of the bundle design—the scope of the services included and the time period covered. Options for each design decision will be outlined.

**ACTION:** Commissioners should comment on the options for each design decision.

**STAFF CONTACT:** Carol Carter (220-3724) and Evan Christman (220-3753).