

Bundling post-acute care services

ISSUE: Post-acute care use varies widely in part because whether and how much service is needed after an acute event 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 on the construction of an illustrative bundle proposal and possible ways to establish episode benchmarks. Quality and outcome measures to monitor provider performance and responses will be discussed. We will outline the implications for beneficiaries and possible ways to transition to bundled payments.

ACTION: Commissioners should comment on the principles for establishing payments, the approaches to setting the benchmarks, the possible quality and outcome measures, the implications for beneficiaries, and ways to transition to bundled payments. We anticipate this information will be a chapter in the June 2013 report.

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