



Bundled Payment: Some Background

National Health Policy Forum

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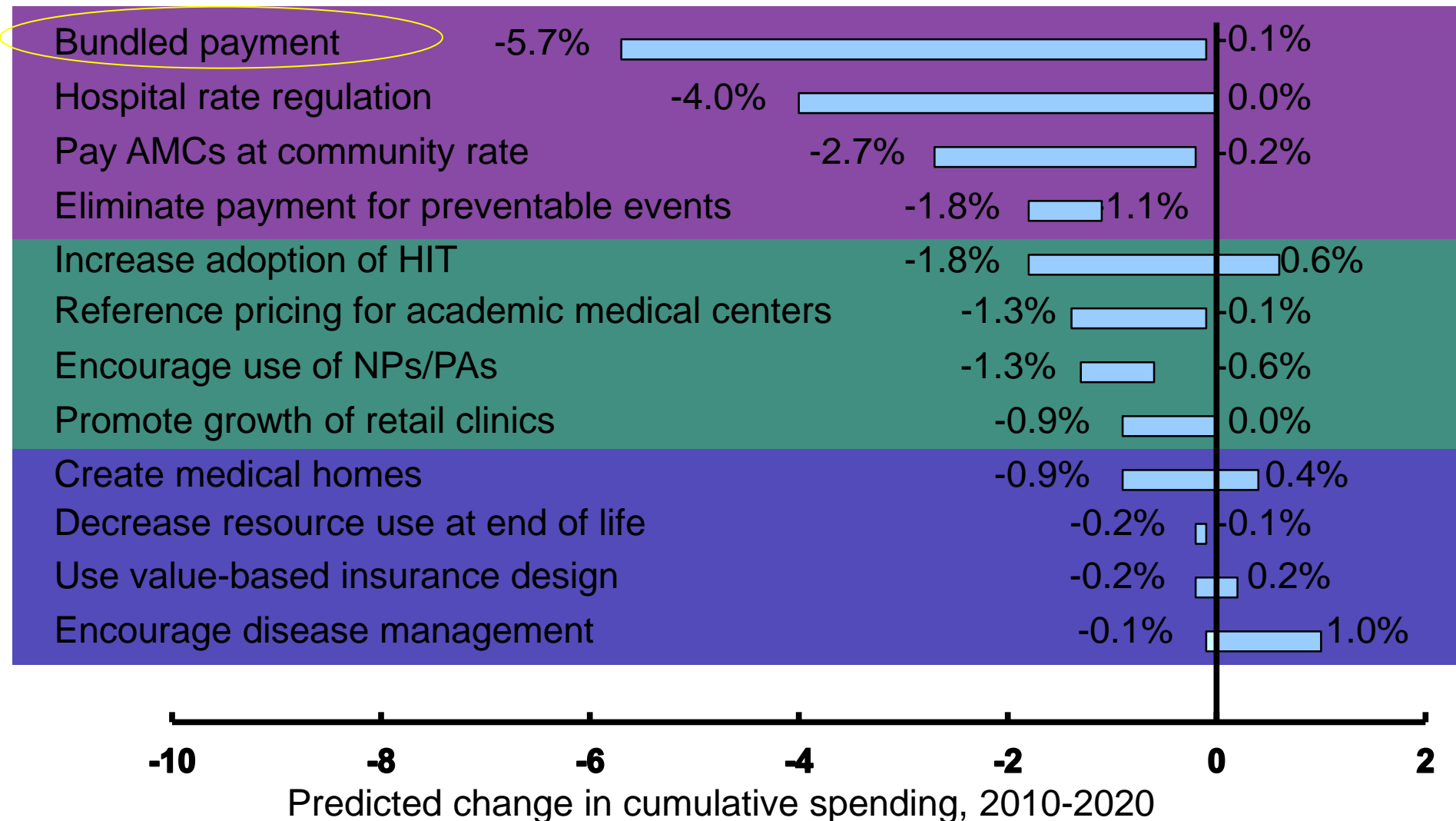
Bundling: The Value Proposition

- Replace Fee-For-Service Reward for Volume
- Create Incentive for Coordination

Prior Experience

- Current Practice—Bundle Services of a Provider
 - Medicare Payment
 - Inpatient Hospital Admissions
 - Home Health Episodes
 - Inpatient Rehabilitation Facility Admissions
- Innovation—Bundle Services from Multiple Providers

Bundled Payment Has Promise for Reducing Health Spending Growth



Challenges

- Policy
 - Defining Appropriate Bundles
 - Pricing and Risk Adjustment
 - Quality and Outcome Measurement
- Operational
 - Developing Relationships Among Providers
 - Sharing Accountability