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New Analysis Presents Post-Acute Care Bundling Considerations

Bundled payments offer one way to drive coordination of care, improve patient outcomes, reduce costs

Washington, DC – The Alliance for Home Health Quality and Innovation today released a new Bundling and Coordinating Post-Acute Care (BACPAC) toolkit, presenting possible approaches for designing post-acute care bundled payments to improve care delivery for the benefit of patients, providers and the overall health care system. Compiled by Dobson|DaVanzo & Associates, the BACPAC toolkit examines preliminary modeling of different approaches to the development of Medicare post-acute care payment bundles.

BACPAC builds upon the findings of the Alliance’s [Clinically Appropriate and Cost-Effective Placement \(CACEP\)](#) project, a comprehensive analysis of Medicare claims data that found the Medicare program could save as much as \$100 billion over 10 years if post-discharge patients were served in more clinically appropriate, cost-effective settings and care delivery was restructured. BACPAC explores how one might achieve such reductions in post-acute care spending through post-acute care bundling by increasing the efficiency of care across settings and encouraging care coordination.

The BACPAC analysis lays out a proposed structure for bundled payments that would begin post-hospital discharge with a 60-day episode of care. The BACPAC model calls for “conveners” – also known as “coordinators” – which must meet specified criteria to manage the post-acute care bundle, support care transitions and help direct patients to the most clinically appropriate and cost effective setting(s) after hospital discharge in coordination with the patient’s physician and medical team. In this role, the convener (which could be an insurer, third party benefits manager, hospital, or post-acute care provider) also helps to guide the patient’s course of care to minimize the risk of re-hospitalization and other negative outcomes. The convener also oversees payments to individual providers and makes sure the entire care plan is run effectively and efficiently, therefore mitigating risk for providers.

In undertaking this analysis, Dobson|DaVanzo & Associates assessed the linkage between catchment area size and operational stability. Importantly, the analysis found that larger, regionally focused convener catchment areas are likely to produce more financially stable bundles, mitigate provider risk, and provide for broader patient choice than smaller, hospital-discharge level catchment areas.

“We found that bundling payments for chronic care management, rehabilitative and other forms of post-acute care could lead to more efficiency across care settings and encourage care coordination among providers if implemented correctly,” stated Allen Dobson, Ph.D., President of Dobson | DaVanzo & Associates. “In the current fee-for-service system, care coordination is often overlooked, resulting in unnecessary tests, procedures and costs to the Medicare program that often do not improve patient care or outcomes.”

The Dobson|DaVanzo researchers identified the need for appropriate post-acute care quality measures as another key component of post-acute care bundling, in addition to improving efficiencies and protecting beneficiary choice. While post-acute care providers are already subject to significant quality measures, post-acute care bundling would integrate those measures across settings. Quality measures are critical to the success of a bundling approach to help conveners determine patient placement that maximizes patient outcome.

“Our hope is that decision makers and providers across all care settings will find the BACPAC analysis and toolkit useful as they consider models for future Medicare payment reforms to benefit the nation’s elderly and disabled populations,” added Teresa Lee, Executive Director of the Alliance for Home Health Quality and Innovation. “We are committed to advancing research and education that will support solutions that foster the delivery of quality patient care to achieve the best possible clinical outcomes at the lowest cost.”

As Congress moves into the New Year, lawmakers have indicated that advancing post-acute care delivery reforms within the Medicare program may be a top policy priority. While lawmakers look to reduce spending in the post-acute care space, the BACPAC toolkit offers a comprehensive view of how reengineering Medicare payment models in home health, skilled nursing facilities and other post-acute care settings can save taxpayers money and support better care for patients.

To view the BACPAC toolkit, please visit www.ahhqi.org.

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The Alliance for Home Health Quality and Innovation (the Alliance) is a non-profit research foundation comprised of leaders in the home health care community – including several of the largest home health care providers in the United States and the three largest national trade associations representing home health care providers. The mission of the Alliance is to foster research and education on the value of home health care to patients and the overall U.S. health care system. The Alliance is dedicated to improving the nation’s health care system through development of high quality and innovative solutions aimed at achieving optimal clinical outcomes. To learn more, visit www.ahhqi.org.