

Bundled Payments

PHM 2016 WORKSHOP:” SHOW ME THE MONEY....” CHEAT SHEET

GENERAL GOALS:

Patient care centered around efficiency of care so as to minimize cost for each episode of care.

METHOD:

Institution given a specific payment for total care of specified illness, regardless of services provided or length of stay of patient.

EXAMPLE:

Hospital receives \$5,000 for total care of a patient admitted for specific illness. Hospital expenditure for episode of care was \$4,500. Hospital net revenue of \$500.

HOW REVENUE MAXIMIZED:

Improve efficiency of care by lowering cost of service and/or length of stay for specific illnesses.

“Make it cheaper when they are admitted and keep the change.... but keep them coming”