

BUNDLED PAYMENTS FOR CARE IMPROVEMENT INITIATIVE

KEY FEATURES OF BUNDLED PAYMENT MODELS COMPARED

MODEL FEATURE	MODEL 1 – Inpatient Stay Only	MODEL 2 – Inpatient Stay plus Post-discharge Services	MODEL 3 - Post-discharge Services Only	MODEL 4 – Inpatient Stay Only
Eligible Awardees	<ul style="list-style-type: none"> Physician group practices Acute care hospitals paid under the IPPS Health systems Physician-hospital organizations Conveners of participating health care providers 	<ul style="list-style-type: none"> Physician group practices Acute care hospitals paid under the IPPS Health systems Physician-hospital organizations Post-acute providers Conveners of participating health care providers 	<ul style="list-style-type: none"> Physician group practices Acute care hospitals paid under the IPPS Health systems Long-term care hospitals Inpatient rehabilitation facilities Skilled nursing facilities Home health agency Physician-hospital organizations Conveners of participating health care providers 	<ul style="list-style-type: none"> Physician group practices Acute care hospitals paid under the IPPS Health systems Physician-hospital organizations Conveners of participating health care providers
Payment of Bundle and Target Price	Discounted IPPS payment; no separate target price	Retrospective comparison of target price and actual FFS payments	Retrospective comparison of target price and actual FFS payments	Prospectively set payment
Clinical Conditions Targeted	All MS-DRGs	Applicants to propose based on MS-DRG for inpatient hospital stay	Applicants to propose based on MS-DRG for inpatient hospital stay	Applicants to propose based on MS-DRG for inpatient hospital stay
Types of Services Included in Bundle	Inpatient hospital services	<ul style="list-style-type: none"> Inpatient hospital and physician services Related post-acute care services Related readmissions Other services defined in the bundle 	<ul style="list-style-type: none"> Post-acute care services Related readmissions Other services defined in the bundle 	<ul style="list-style-type: none"> Inpatient hospital and physician services Related readmissions
Expected Discount Provided to Medicare	To be proposed by applicant; CMS requires minimum discounts increasing from 0% in first 6 mos. to 2% in Year 3	To be proposed by applicant; CMS requires minimum discount of 3% for 30-89 days post-discharge episode; 2% for 90 days or longer episode	To be proposed by applicant	To be proposed by applicant; subject to minimum discount of 3%; larger discount for MS-DRGs in ACE Demonstration
Payment from CMS to Providers	<ul style="list-style-type: none"> Acute care hospital: IPPS payment less pre-determined discount Physician: Traditional fee schedule payment (not included in episode) 	Traditional fee-for-service payment to all providers and suppliers, subject to reconciliation with predetermined target price	Traditional fee-for-service payment to all providers and suppliers, subject to reconciliation with predetermined target price	Prospectively established bundled payment to admitting hospital; hospitals distribute payments from bundled payment

	or subject to discount)			
Quality Measures	All Hospital IQR measures and additional measures to be proposed by applicants	To be proposed by applicants, but CMS will ultimately establish a standardized set of measures that will be aligned to the greatest extent possible with measures in other CMS programs		

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