

Eli's Hospice Insider

Hospice News: Who Benefits From Bundling Demonstrations? It Varies By Demo Type, OIG Says

Providers should hope for more voluntary bundling tests.

How likely is mandatory bundling in your future? The crystal ball is hazy on that point, but you may get some clues from a recent **HHS Office of Inspector General** report on the pros and cons of voluntary versus required models.

In the report, the OIG investigates the six episode-based payment models that the **Centers for Medicare & Medicaid Services** offers as alternatives to traditional Medicare, none of which currently involve hospice. One model does include home care.

Voluntary bundled payment systems are more popular with providers because they generally have more favorable risk and financial terms to attract participants. Another reason is that potential participants "have the ability to self-select models and episodes where they have identified opportunities to successfully implement care redesign and earn performance bonuses," the OIG notes.

The early adopters who participate in voluntary programs also "are interested in performing well under the model," the OIG adds.

On the other hand: CMS gets a more representative pool of participants, allowing for results that are more applicable overall, with mandatory models, the OIG concludes. Required participation also allows for greater financial risks and penalties, and encourages value-based care in providers who are reluctant to transition.

"Voluntary models largely benefit providers" while "mandatory models are more likely to give CMS generalizable evaluation results," the OIG concludes.

The 44-page report is at www.gao.gov/assets/700/696264.pdf.