

# Bundled Payment Initiative Project

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# Project Overview

## ➤ Traditional Payment Model

- The health plan makes a separate payment for each service rendered by a health care provider
- This rewards the quantity of services rendered rather than the quality
- There is no incentive to coordinate care



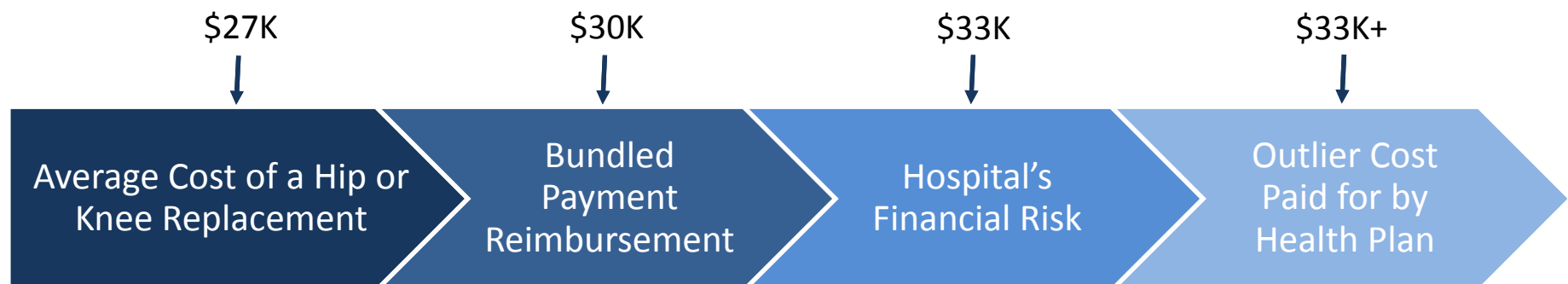
## ➤ Bundled Payment Model

- The health plan provides hospitals the financial opportunity to coordinate care across specialties and settings
- More coordinated care will result in fewer health complications and hospital readmissions
- Following, this model will reduce patient and health plan costs

# Project Execution

## 1. Design Phase: January – June 2015

- Identified which joints (e.g. hip, knee, etc.) would be included in bundle
- Established contractual requirements and documents
- Analyzed data to establish bundled payment rate



For illustration purposes only



# Project Execution (cont.)

## 2. Launch Phase: July 2015 – June 2016

- Conducting internal and external status meetings
- Coordinating marketing efforts
- Monitoring patient participation
- Producing and analyzing monthly data reports



## 3. Closing Phase: July 2016 – September 2016

- Create summary of business impact
- Generate and share settlement report with stakeholders
- Determine if bundled payments are a feasible reimbursement structure for other joints and/or other hospitals