AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 111

(A-22)

Introduced by: American Academy of Physical Medicine and Rehabilitation, Ohio

Subject: Bundled Payments and Medically Necessary Care

Referred to: Reference Committee A

Whereas, Medicare operates bundled payment models that include several diagnoses, including total knee replacement, total hip replacement, myocardial infarction, and others, where model participants are responsible for managing the costs of all of the medical care furnished during triggering admissions or procedures and for 90 days after discharge or 90 days after completion of the procedure, with some exclusions; and

Whereas, State Medicaid programs are starting similar programs called Episodes of Care; and

Whereas, Even unrelated events (like cataract surgery or fractured hip from a fall) that occur within 90 days after the initial hospital stay must be covered by the Medicare bundled payment; and

Whereas, Some unrelated events can be very costly and cause significant spending beyond the limits of the bundle which cannot be controlled by the initial physician; and

Whereas, One possible incentive for the physicians who are caring for the patient is to decrease costs by decreasing access to services that the patient receives, regardless of the medical needs of the patient, because the cost saved is returned to the physician/participant as a financial bonus/payment; and

Whereas, Every patient is an individual with different responses to treatment and different comorbidities; and

Whereas, Some patients need further therapy in an inpatient rehabilitation facility or skilled nursing facility but are not offered those options due to cost containment; and

Whereas, In the absence of longitudinal care options such as care delivered in an inpatient rehabilitation facility or skilled nursing facility, an overall increase in care per episode might occur in some subpopulations with complications and comorbid conditions; therefore be it

RESOLVED, That our American Medical Association advocate that coverage rules for Medicaid “Episodes of Care” be carefully reviewed to ensure that they do not incentivize limiting medically necessary services for patients to allow better reimbursement for recipients of the bundled payment (Directive to Take Action); and be it further

RESOLVED, That our AMA study the issue of “Bundled Payments and Medically Necessary Care” with a report back to the AMA House of Delegates to explore the unintended long-term consequences on health care expenditures, physician reimbursement, and patient outcomes (Directive to Take Action); and be it further
1 RESOLVED, That our AMA advocate that functional improvement be a key target outcome for bundled payments. (Directive to Take Action)

Fiscal Note: Not yet determined

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