
42 U.S. Code § 1395cc-4

National pilot program on payment bundling

(a) Implementation

(1) In general

The Secretary shall establish a pilot program for integrated care during an episode of care provided to an applicable beneficiary around a hospitalization in order to improve the coordination, quality, and efficiency of health care services under this subchapter.

(2) Definitions

In this section:

(A) Applicable beneficiary

The term “applicable beneficiary” means an individual who—

- (i) is entitled to, or enrolled for, benefits under part A and enrolled for benefits under part B of such subchapter, but not enrolled under part C or a PACE program under section 1395eee of this title; and
- (ii) is admitted to a hospital for an applicable condition.

(B) Applicable condition

The term “applicable condition” means 1 or more of 10 conditions selected by the Secretary. In selecting conditions under the preceding sentence, the Secretary shall take into consideration the following factors:

- (i) Whether the conditions selected include a mix of chronic and acute conditions.
- (ii) Whether the conditions selected include a mix of surgical and medical conditions.
- (iii) Whether a condition is one for which there is evidence of an opportunity for providers of services and suppliers to improve the quality of care furnished while reducing total expenditures under this subchapter.
- (iv) Whether a condition has significant variation in—
 - (I) the number of readmissions; and
 - (II) the amount of expenditures for post-acute care spending under this subchapter.
- (v) Whether a condition is high-volume and has high post-acute care expenditures under this subchapter.
- (vi) Which conditions the Secretary determines are most amenable to bundling across the spectrum of care given practice patterns under this subchapter.

(C) Applicable services

The term “applicable services” means the following:

- (i) Acute care inpatient services.
 - (ii) Physicians’ services delivered in and outside of an acute care hospital setting.
 - (iii) Outpatient hospital services, including emergency department services.
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(iv) Post-acute care services, including home health services, skilled nursing services, inpatient rehabilitation services, and inpatient hospital services furnished by a long-term care hospital.

(v) Other services the Secretary determines appropriate.

(D) Episode of care

(i) In general

Subject to clause (ii), the term “episode of care” means, with respect to an applicable condition and an applicable beneficiary, the period that includes—

(I) the 3 days prior to the admission of the applicable beneficiary to a hospital for the applicable condition;

(II) the length of stay of the applicable beneficiary in such hospital; and

(III) the 30 days following the discharge of the applicable beneficiary from such hospital.

(ii) Establishment of period by the Secretary

The Secretary, as appropriate, may establish a period (other than the period described in clause (i)) for an episode of care under the pilot program.

(E) Physicians’ services

The term “physicians’ services” has the meaning given such term in section 1395x(q) of this title.

(F) Pilot program

The term “pilot program” means the pilot program under this section.

(G) Provider of services

The term “provider of services” has the meaning given such term in section 1395x(u) of this title.

(H) Readmission

The term “readmission” has the meaning given such term in section 1395ww(q)(5)(E) of this title.

(I) Supplier

The term “supplier” has the meaning given such term in section 1395x(d) of this title.

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