

1 PAYMENT

Adopt a bundled payment model for home-based and outpatient palliative care.

Payers should adopt a bundled payment model for home-based and outpatient palliative care. In a bundled payment model, a single payment covers the delivery of a specified set of services, by a multidisciplinary team, over a defined period of time. Bundled payments create incentives for delivering the optimal palliative care model, making it feasible and sustainable for providers to offer high-quality palliative care. In contrast, fee-for-service payment models do not cover the cost of the full interdisciplinary team, including nurses, chaplains, care navigators, social workers, or the extensive coordination activities required to deliver services.

A 2023 survey of Medi-Cal managed care plans conducted by the Coalition for Compassionate Care of California found that 67% of the 14 responding plans reported using a bundled payment model for home-based palliative care.⁵ Furthermore, the [Consensus Standards for Community-Based Palliative Care in California](#) (including home and outpatient palliative care), which were developed by a collaborative of health plans, provider organizations and health services researchers, also endorse bundled payments as the preferred payment model.⁶

ACTION ITEMS



THE ESSENTIALS

At the very least, start here →



PROGRESSING FURTHER

Take the next steps →



SETTING THE STANDARD

Strive for excellence →

⁵ [State of Medi-Cal Palliative Care: Findings from the Annual Plan and Provider Surveys.](#)

⁶ [Consensus Standards for Community-Based Palliative Care in California](#)

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THE ESSENTIALS

Adopt a bundled payment model that covers the effort of the entire interdisciplinary team needed to deliver all specified outpatient and home-based palliative care services across lines of business and markets.

Compensate palliative care providers for initial assessments, irrespective of whether patients ultimately enroll.



PROGRESSING FURTHER

Use program design tools such as tiers of service (i.e., higher payment for more complex cases) and guidance on use of telehealth (e.g., allow telephone or video visits in some circumstances) to ensure intervention intensity matches member needs while remaining sustainable for the plan and palliative care provider.

Offer performance-based incentives related to data collection, important care processes (e.g., surrogate decision maker identified) or outcomes (e.g., member experience or decreased unplanned hospitalizations).



SETTING THE STANDARD

Participate in evaluations of the economic impact of using a bundled payment for outpatient and home-based palliative care services to increase awareness among plans and policymakers that this is economically sustainable.

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Table 1: Resources

TYPE OF RESOURCE	RESOURCES	DESCRIPTION
Report	Palliative Care in Medicaid Costing Out the Benefit: Actuarial Analysis of Medicaid Experience (National Academy for State Health Policy)	Guidance on how to price a bundled payment.
Report	Home-Based Palliative Care Payment and Delivery Models for Short-Term Interventions (Center to Advance Palliative Care)	Guidance on payment approaches for short-term palliative care needs, such as during a transition to home after hospital, hospice, or to another care team.
Survey	2023 survey of MCPs and palliative care providers (Coalition for Compassionate Care of California)	Survey of 14 Medi-Cal managed care plans (MCPs); includes a question regarding payment mechanisms used for home-based palliative care.

THANK YOU

**For more information,
please contact us:**



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