

# Italian Health Economics Association (AIES) 23rd Annual Conference

## *National Healthcare Systems and universal coverage: are they still feasible? Lessons learned and challenges ahead after 70 years of the British NHS and 40 years of the Italian NHS*

Napoli, 27-29 September 2018

### Bundled payment for mental health care: implication for the Italian Healthcare system

**Authors:** Lucia Ferrara\*, Valeria D. Tozzi, Helen Banks

**Affiliation:** CERGAS SDA Bocconi, Università Bocconi.

**Corresponding author** [lucia.ferrara@unibocconi.it](mailto:lucia.ferrara@unibocconi.it), +39 3331779591

**Topic:** Health care and technologies funding

**Presentation format:** oral presentation

#### **Rationale and background**

The shift from volume-based systems to value-based care has driven public and private payers to redesign reimbursement models that stress accountability for care quality and healthcare costs. As the dominant fee-for-service model for reimbursement encourages fragmented care, with little incentive for resource stewardship, coordination or communication across multiple providers, alternative payment models like episode-based, bundled payments have come to the forefront of the international discussion on combating rising healthcare costs. Bundled payments are a middle ground in the spectrum of health care payment models, they provide a single payment for all services related to a specific treatment or condition, possibly spanning multiple providers in multiple settings. Although not a new policy initiative, bundled payments have resurfaced in the current era of health care reform with its advocates arguing that it can curtail health care costs while simultaneously improving quality.

Despite the copious discussion on health care payment reform in recent years, there is little information to guide the use of this payment mechanism for chronic medical conditions and mental health and, with few exceptions, the application of bundled reimbursement models has lagged in mental health compared with other specialties.

#### **Objectives**

Based on these premise, we aim to provide a realist review of bundled payment initiatives across the world aimed at discerning what works for whom, in what circumstances, in what respects and how. We therefore aim to discuss what are the main characteristics of bundled payment initiatives worldwide; what are their potential advantages and disadvantages for mental health; what are the opportunities, threats and levers of improvement across different system configurations; and what implications these initiatives might have in a national health system such as Italy.

#### **Methodology**

In order to do this, we employed a realist approach to evaluation. The first step was to make explicit the programme theory (or theories), the underlying assumptions about how an intervention is meant to work and what impacts it is expected to have. We then defined the scope of the review (concept mining and framework

formulation); searched for and scrutinized the evidence; extracted and synthesized the evidence; and developed the narrative, including hypotheses.

## **Results**

We found a growing literature based on scenario and prospective study designs around the new payment schemes, methods, tools and implications to put them forward. Bundle payments is the most studied payment scheme for number of contribution since 2009; however, although notable examples and theories have been described around the potentials of bundled payment for mental health we found only few examples and experiences of episode-based payment approach for mental health. The literature highlights that bundled payments for mental health, have the potential to help providers and commissioners better understand the care they provide and the resource used to deliver that care, to substantially improve care coordination among hospital and community services, to encourage integration of physical and mental health providers, to compel systems and payers to focus on well-described critical time windows for mental health patients, such as transition of care from inpatient to outpatient settings or vice versa and generate savings for mental health, and finally to support clinicians to deliver the best possible care by incentivising the delivery of good outcomes as a key part of the payment approach.

Our review enabled firstly, to reach a deeper understanding of bundled payment approach in general; secondly, to identify a number of programs underway in mental health that will hopefully prove out just how sustainable this approach will be for providers; thirdly, to hypothesize a model for the development of a bundled payment for mental health within the Italian health care system discussing what are the implications, potentials and pitfalls for the Italian health care system and what are the main differences with other programmes targeting the same patients (i.e. health budget).

**Keywords:** Bundled payment, mental health, value-based care, funding, realist review