Brilliant or Bad Idea for Paying Doctors?

Most patients have no idea how their doctors are paid, and thus may not see the conflict of interest. They don’t know how government payment strategies may encourage their doctors to give them less care, or no care, or discharge them too early from the hospital.

The Affordable Care Act includes an experiment in payment called Medicare “Bundled Payments.” Participating doctors and hospitals are paid per episode. For example, for all the care surrounding a heart attack. Medicare hopes these lump-sum payments will lead to lower costs but a study shows it hasn’t worked, particularly for complex disease conditions. But they’ll keep trying. Medicare is expected to go bust in 2026, just seven years from now.