Global Capitation: Risk, Accountability, & Coordination

Today’s Model, Tomorrow’s Opportunities

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HealthCare Partners Medical Group and Affiliated Physicians

- Physician owned and professionally managed medical organization formed in 1992
- Multispecialty integrated and coordinated care delivery model
- Serves over 550,000 patients in the Los Angeles & Orange Counties with > 95,000 Medicare Advantage patients primarily through global capitation
- HCP California employs over 500 primary care and specialty physicians
- 50 offices, 10 urgent care centers, & 24 hour patient support & tele-health nurses.
- HCP California-IPA Affiliated Physicians include over 950 Primary Care Physicians in more than 70 cities in greater Los Angeles and Orange Counties
- Additional 88,000 patients in HCP Florida and HCP Nevada of which 68,000 are Medicare Advantage members under global capitation
Capitation: Prospective Payment for “Part” or “Total” Care of a Specific Group of Patients
Capitation “Risk” Categories

- Professional – Primary and Specialty Care
- Ancillary - Lab, DME, dialysis, and home health
- Technical – Radiology (Out Patient)
- Institutional – Hospital, TCU, SNF
- Behavioral Health
- Pharmacy
Global Capitation = Full Risk

Organization receives PMPM payment for **ALL** patient care.
Key Elements for Coordinated Care Information Technology

- **EMR**
  - Sharing clinical information
  - Decreases redundancy
  - Coordinates care among multiple providers

- **E-Prescribing**
  - Preferred Medications
  - Safety
  - Documentation

- **Centralized Registries**
  - Diagnosis
  - Labs
  - Medications
  - Intervention & services indicated or due

- **Optimization of Care – Data mining using data warehouse**
Requirements for Global Capitation Success

- Global Payment based on current cost with Annual Inflation Increases – must be high enough to justify effort and investment
- Appropriate numbers – spread risk
- Contracts in place for all professions, technical, and institutional services
- Administrative infrastructure
- Medical Leadership
- Appropriate compensation with alignment of incentives
- Utilization Management
- Information Technology - trends, direct resources
Innovation

HCP’s Comprehensive Care Clinic

- 62% of older people- 2 or more chronic illnesses
- 75% of all hospital admissions attributable to chronic conditions (accounts for over $750 billion of overall healthcare costs)

High Risk program:
  - For the chronically ill and frail patient
  - Multiple admissions
  - Patients discharged from the hospital with multiple medical conditions

Interdisciplinary program

In Home Health assessment

Results:
  - Improved patient and family satisfaction
  - Continuity of care, coordinated treatment, and allows patients to avoid frequent ER visits and hospitalizations
Global Capitation

Conclusion

- Manage the total cost of care within a set budget
- Promotes innovation, use of technology, and coordinated care approach
- Aligns clinical and economic incentives
- Promotes patient, family, and physician satisfaction and likely results in better overall health care