



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

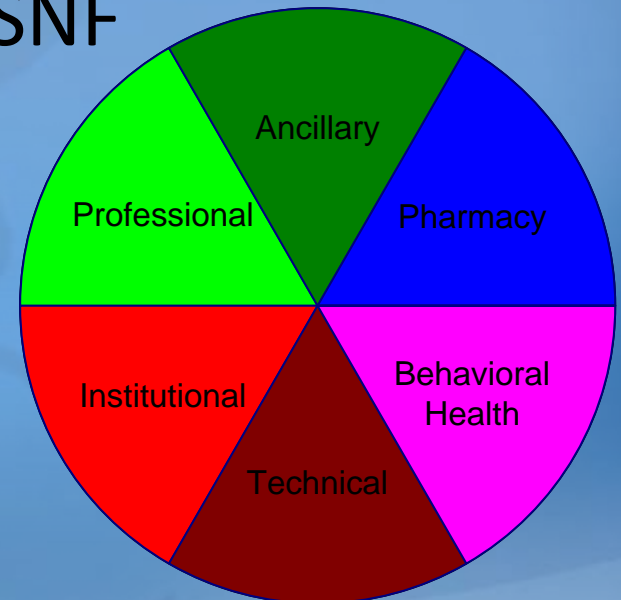


**Capitation: Prospective Payment
for “*Part*” or “*Total*” Care of a
Specific Group of Patients**



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



Capitation “Risk” Categories



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

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- ❑ 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