Global Capitation
From Sharp Rees-Stealy’s Perspective

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Sharp Rees-Stealy Medical Group (SRSMG)

Founded in 1923
Multi-specialty Medical Group
400 Physicians in 28 Specialties
Embraced Managed Care in the Mid 1970’s
Joined Sharp HealthCare’s Integrated Delivery System in 1985
Capitation generates over 70% of revenue
Consistently recognized as a high quality cost effective medical group
Global Capitation = Full Risk = Professional Capitation Plus Hospital Capitation

In California you must own or have a hospital partner to receive hospital capitation. SRSMG has accepted Full Risk since 1985. Currently we provide care to 14,000 seniors and 126,000 commercial patients on a full risk basis.
Major Service Categories

**Medical Group:**
- Primary and Specialty Physician Services
- Hospitalists
- Physician Extenders
- DME
- Radiation Therapy
- Injectables
- UM/Case Management/Discharge Planning/Chronic Care Management

**Hospital:**
- Inpatient Admissions
- Outpatient Surgery
- Dialysis
- Chemotherapy
- Ambulance
- Hospital Based Physician Services
- Home Health/IV Therapy
The SRSMG / SHC Arrangement

Both parties accept capitation for assigned members
Established a Common Risk Matrix for all plans
Agreed upon division of revenue
Physician incentive arrangement
SRSMG and SHC Have Aligned Incentives in a Fully Global Payment Arrangement

Right care at the right time in the right place

Goal of providing the highest quality of care

Standardization of care protocols and guidelines
SRSMG and SHC are accountable for the health and wellness of the assigned population.
Managing Risk

SRSMG and SHC will accept risk that can be managed
- Exclude out of San Diego area
- Moving to exclude non-Sharp Hospital ER and Trauma admits

Requires an excellent partnership between SRSMG and Hospital

Experienced UM, Discharge Planning, Case Management, Chronic Care Management, Hospitalists and End of Life Programs

Physician and hospital culture to manage care to the highest quality in the most cost effective setting and method

Forum of key executives to resolve issues early and to innovate care delivery

Functional incentive arrangement
Physician Management

Strong and experienced Managed Care leadership and Committee

Hospitalist programs at four Sharp hospitals

Out of Network Program

Physicians repatriate Sharp patients to Sharp hospitals to prevent over utilization, duplication and better coordination of care
Other Patient Care Services

- Urgent Care in five locations
- After Hours Pediatric Care
- Nurse Advice Line
- Continuity of Care Unit
  - Call every ER and post hospital discharge patient within 48 hours
EHR to Integrate Care Across the Continuum

Single medical record provides increased safety and coordination of care

Registries and data warehouse track patients due for services with electronic reminders to physicians, outreach calls to patients
Payor Partnerships

Partnership with Secure Horizons for Medicare Advantage

One MAPD plan reduces administrative redundancy

Participate in benefit designs for annual bid

Enhance integration from the health plan to the providers
Commercial plans have developed narrow networks to align with Sharp.

We are the most cost effective, high quality provider in their network.

Some providers in San Diego have abandoned the accountable care model (eliminated capitation) and have raised the premiums in the market.
SRS Coordinated Care Model

- Primary Care Physician
- Disease Managers
- Coordination of Care
- Specialty Care Physician
- Hospitalist / SNF Team
- Continuity of Care
  - Transitions
  - Home Health
  - Hospice

- Diabetes Program
- Pre Diabetes Program
- Asthma Outreach Program
- Wound Center
- Annual Flu Immunization
- Dietary Counseling
- Pediatric Rehab Program
- Cardio Com CHF Program
- Telemedicine
- Obesity Management Program
- Smoking Cessation Program
- Anticoagulation Program
- Fall Prevention Program
- Post Surgery Rehabilitation
- Sleep Apnea Group Clinic
- Chronic Pain Management Program
- Acute Back Clinic

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Conclusion

Global Capitation

Best way to align the incentives of the providers

Best way to manage the cost of health care

Best way to encourage quality innovation

Best way to deliver health care