



Global Capitation: Risk, Accountability, & Coordination

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HealthCare Partners Medical Group and Affiliated Physicians

- Physician owned and led medical organization
- Multispecialty integrated and coordinated care delivery model
- Group model employs over 500 primary care and specialty physicians
- 40 offices, 6 urgent care centers, 24 hour patient support & tele-health nurses, and 1 employer on site office
- HCP-IPA Affiliation of over 1500 PCP's and 1500 Specialists in more than 60 cities in greater LA.
- Over 500,000 patients in the LA region with > 80k MA patients
- Additional 85k managed care patients in Florida and Nevada with 65k MA patients

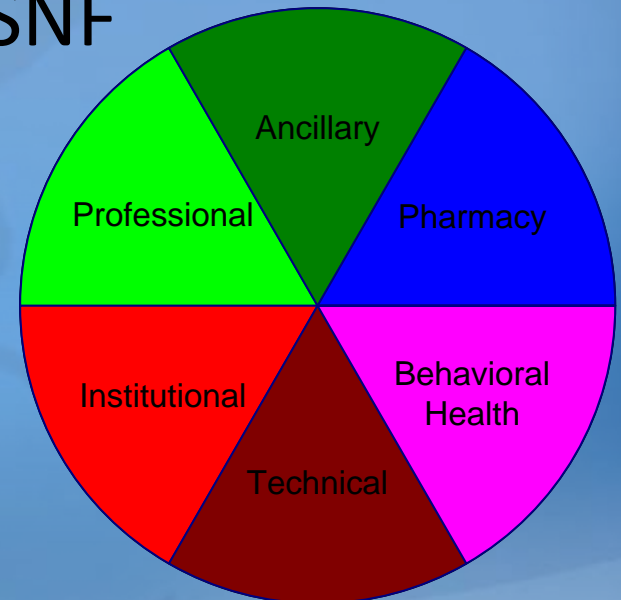


**Capitation: Prospective Payment
for “*Part*” or “*Total*” Care of a
Specific Group of Patients**



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
 - Documentation
 - Continuity
- 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



Home Care program and 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
- Interdisciplinary program
- In Home Health assessment
- Target of 1200 high risk patients enrolled mid-2010
- **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