

ELEMENTS OF

The Coordinated Care Model:

1. Capitation (or other prepayment)
2. Delegation
3. Institutional Use Incentives
4. Quality Incentives
5. Appropriate State Regulation

#1 Capitation

- Calculated amount PMPM, for which the Group/IPA takes responsibility for all professional services.
- Originally calculated largely through age/sex differentiation.
- Increasingly, acuity has come into the calculation.

#1 Capitation

CONTINUED

Nearly 1/3 of California's population – a number greater than the population of all but 7 States – have been under some form of capitation for 25 years, including:

- Commercial (employer-based)
- Medi-Cal
- Medicare Advantage

#1 Capitation

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Can't be done with individual physicians –
doctors must organize to take risk.

Two different models:

- Medical Group (Such as Pioneer)
- IPA (Such as Sharp Community Medical Group)