

#2 Delegation

Typically, California capitated groups are delegated certain administrative functions by the health plans, including:

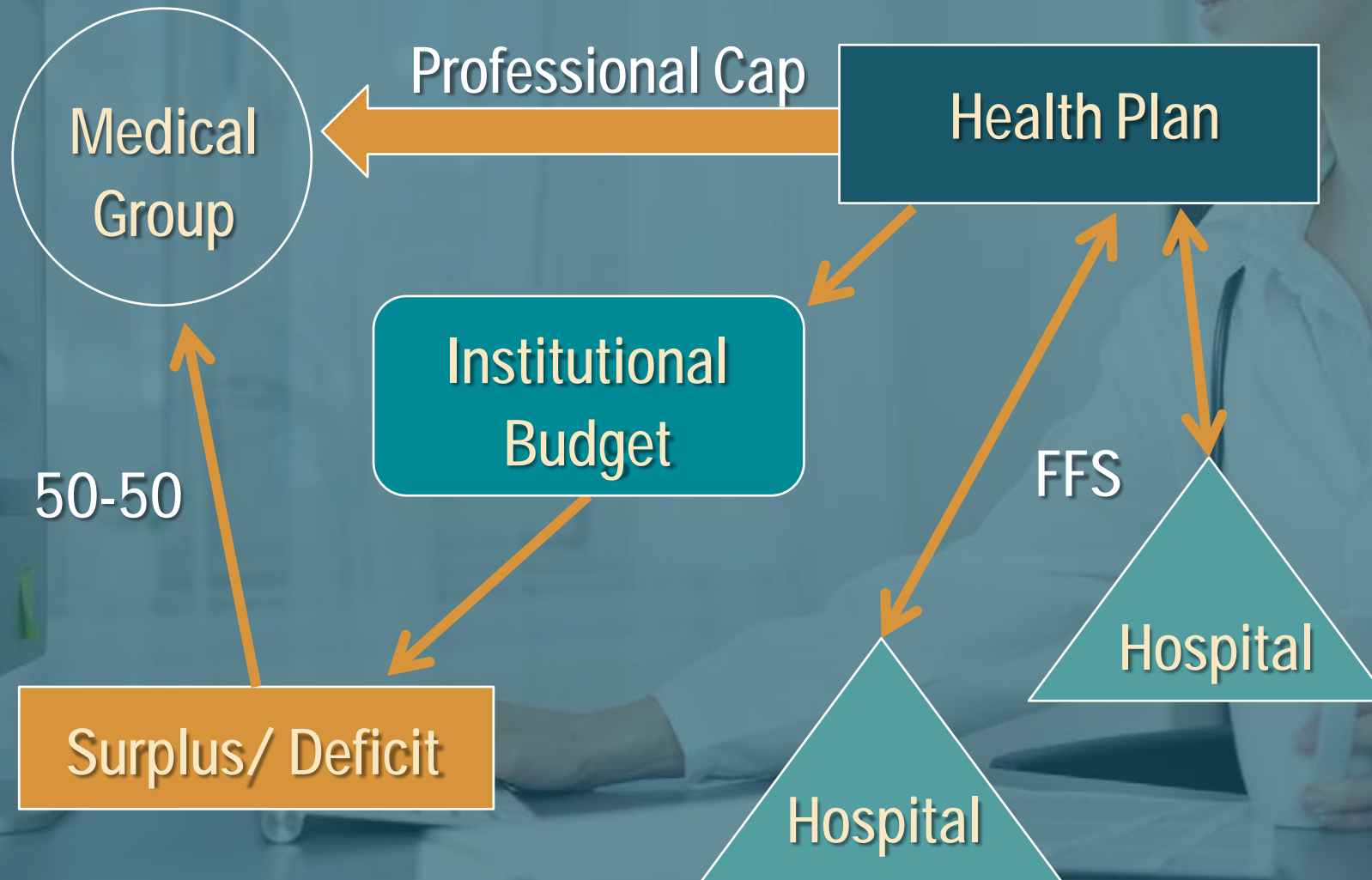
- Claims Adjudication and Payment
- Credentialing
- Quality Management
- Utilization Management

#3 Institutional Use Incentives

Three ways in which groups can be rewarded for controlling institutional use:

1. **“Shared” Risk:** Health plan has a budget, contracts with hospitals, splits surplus (or deficit) with medical group.
2. **“Dual Risk”:** Hospital takes a capitation as well; it and the group have a deal at “cost”; they share balance.
3. **“Full” or “Global” Risk:** Group takes both caps and contracts with hospitals directly (requires KK).

"Shared Risk"



#4 Quality Incentives

Several programs give recognition to clinical and administrative practice enhancement. For example:

- IHA's Pay for Performance Program
 - IT, Clinical Measures, Patient Satisfaction
 - Since 2005, PMG has been awarded \$3.15MM from P4P
- CAPG's Standards of Excellence Program
 - PMG has earned "Elite" status every year
- Star Program(s) from Senior plans