

Pioneer Medical Group

John Kirk, CEO



Sharp Community Medical Group

Paul Durr, CEO



Developing Payment Relationships Between Payers and Providers An IPA Perspective

Paul Durr

Chief Executive Officer

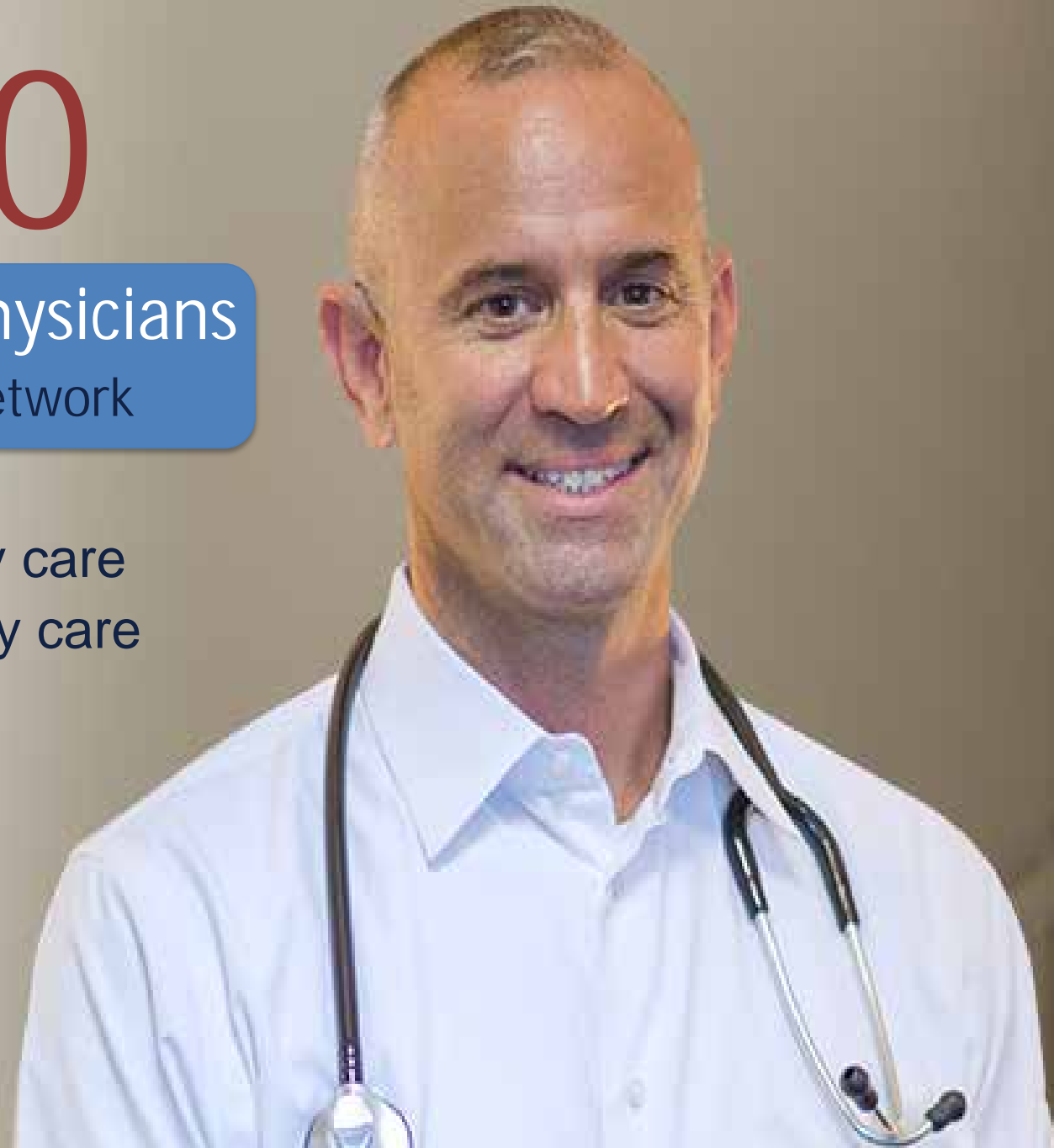
Sharp Community Medical Group

October 25, 2016

800

the number of **physicians**
within our network

230 primary care
570 specialty care





Our reach expands
to more than **36**
communities within
San Diego and
southern Riverside
counties

Alpine	Murrieta
Chula Vista	National City
Clairemont	Oceanside
Coronado	Pacific Beach
Downtown San Diego	Point Loma
East San Diego	Poway
El Cajon	Ramona
Encinitas	San Carlos
Escondido	San Diego
Fallbrook	San Marcos
Hemet	Santee
Hillcrest	Scripps Ranch
Imperial Beach	Spring Valley
Kearny Mesa	Temecula
La Jolla	Tierrasanta
La Mesa	University City
Lakeside	Vista
Mira Mesa	Wildomar

Medical Group Profile

Established 1989

Membership

HMO:

Commercial	107,000
Senior	28,000

ACO:

Commercial	30,000
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Hospital Relationships

Dual Risk Partners

Sharp HealthCare – 7 hospitals

Palomar Health – 3 hospitals

Managed Care Revenue Flow

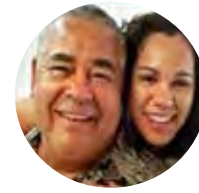
Commercial

Senior

Employee
Contribution



Beneficiary
Contribution



Employer
Contribution



CMS
Contribution



Health Plan



Admin & Profit



Health Plan Risk



Medical Group Risk



Institutional Risk

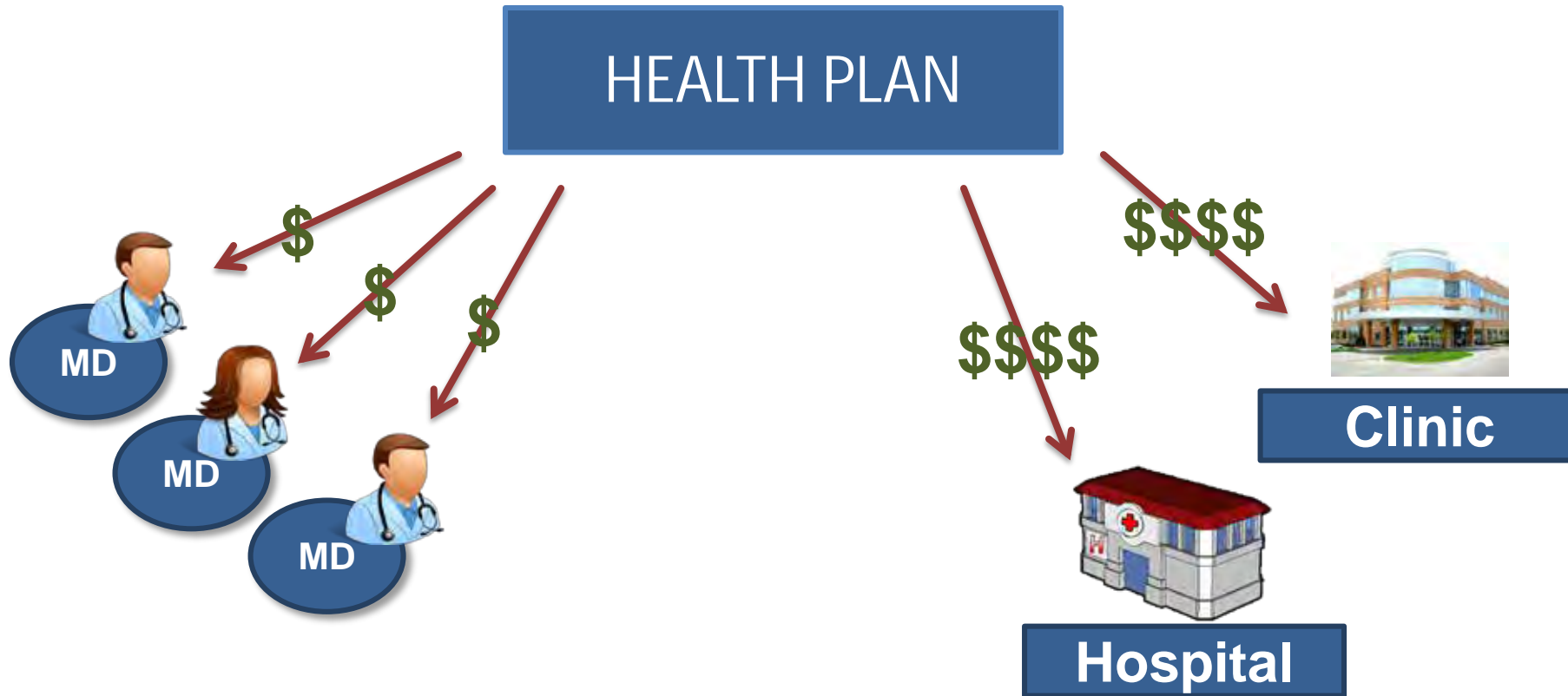
Who's At Risk For What?

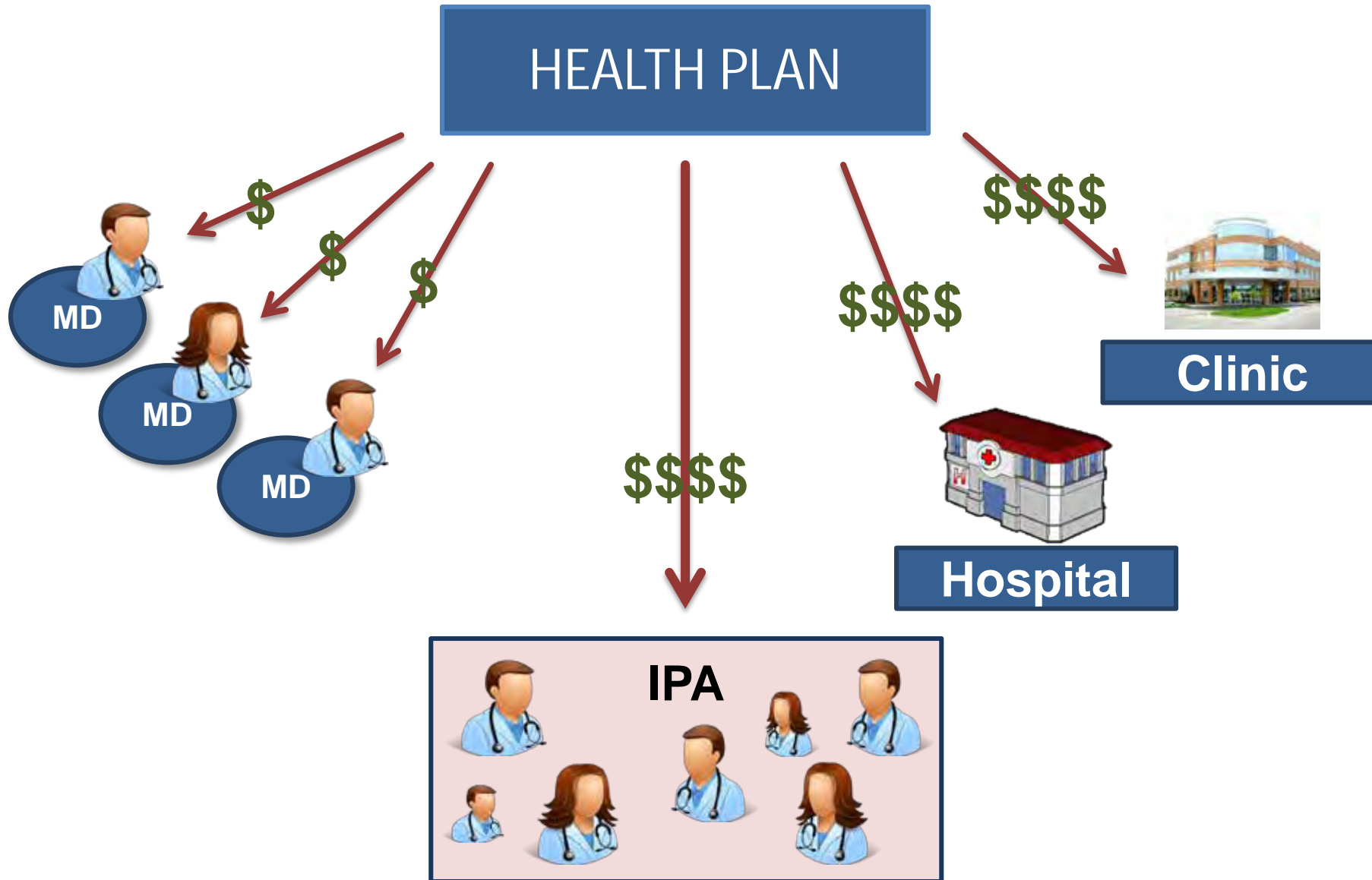
- DOFR – Tries to define
 - ∅ Division of Financial Responsibility
- Varies by Health Plan
- Shifting Care Trend
- Interpretation Challenges
 - ∅ Infusion – Cancer vs. Medical
 - ∅ Procedures – Diagnostic vs. Surgical

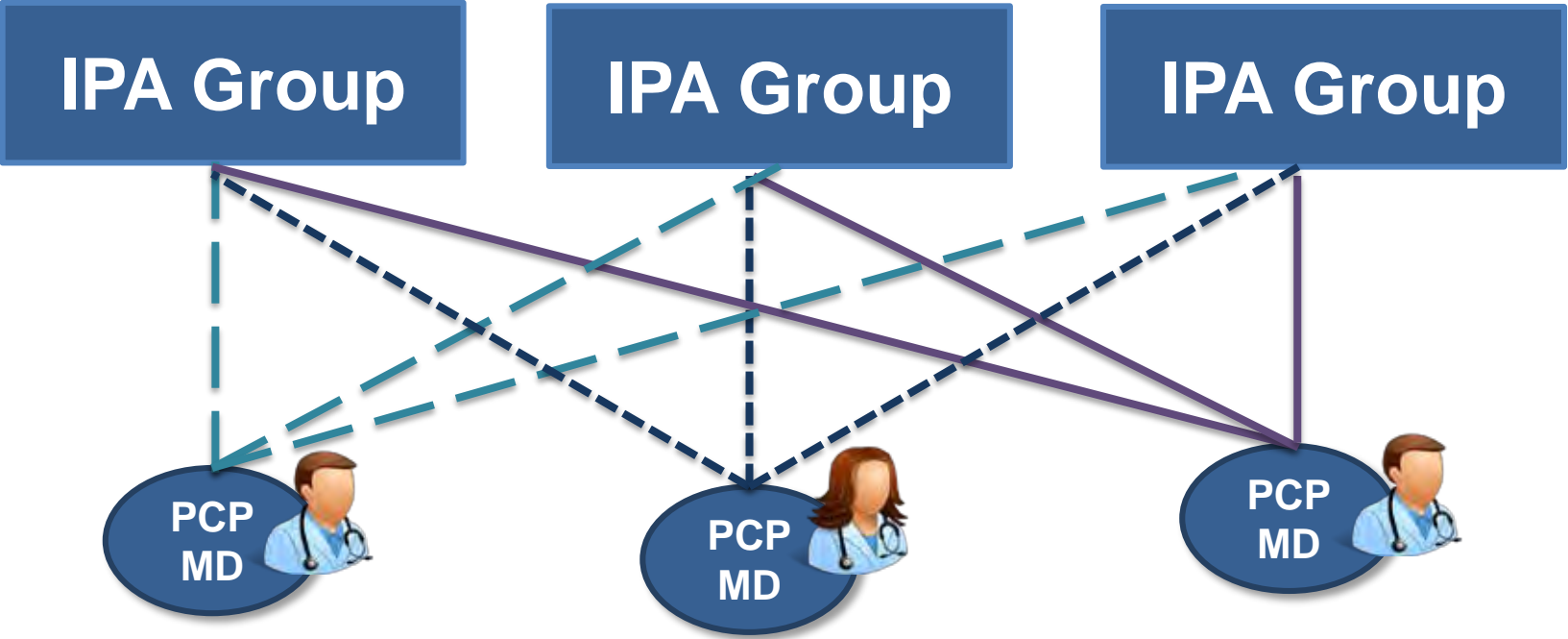
Rate Considerations

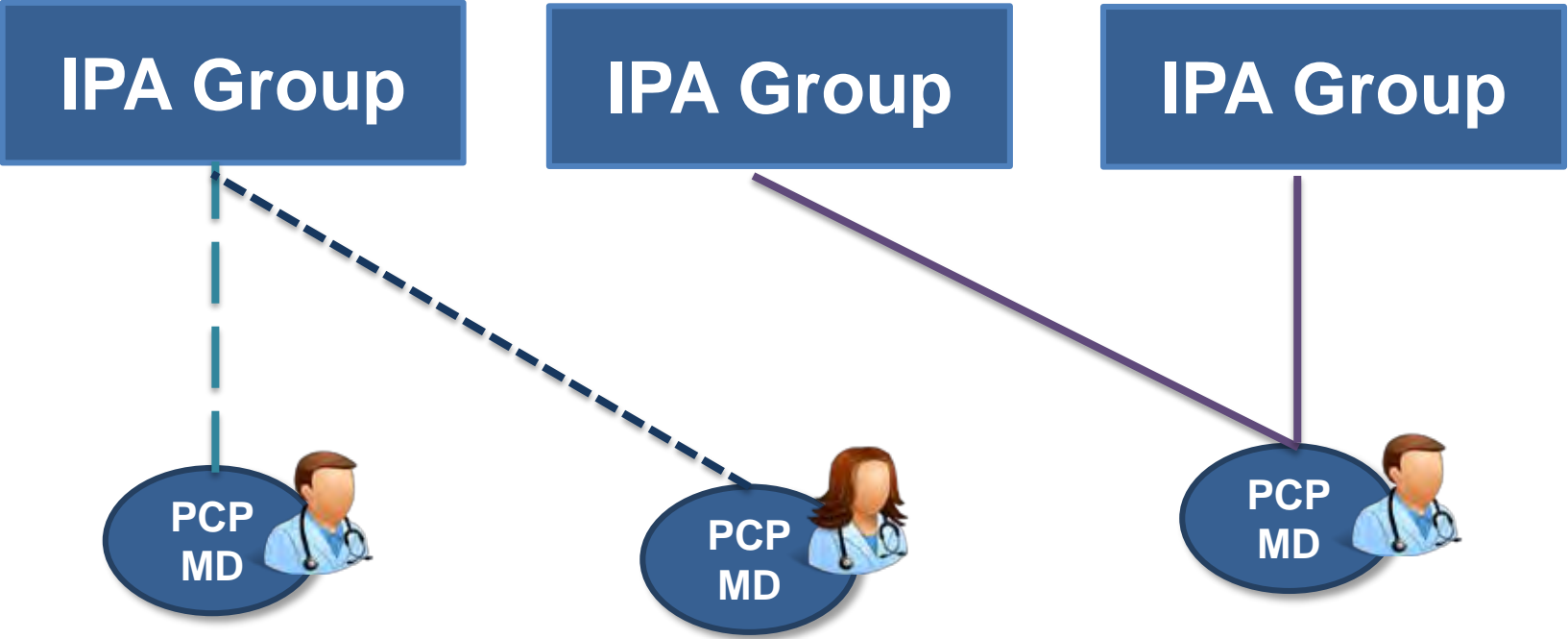
- Risk Assumption
 - ∅ Services
 - ∅ Limits
- Population
- Patient Responsibility
- Incentives
- Competition
- Financial Performance

How Did We Do It?









Provider Compensation

Primary Care Services

- **Base Capitation (75%)**
 - Ø Full time panel of 2,000 patients
 - Ø Assumed annual compensation target
 - Ø Average mix of com/sen members
 - Ø Health plan age/sex factors
 - Ø Acuity and quality adjusted
- **Fee for Service (5%)**
 - Ø Immunizations
 - Ø Minor procedure trays
- **Incentive Based (20%)**
 - Ø Quality
 - Ø Efficiency
 - Ø Patient experience

Specialty Care Services

- **SCP Group Capitation**

- Ø Cap pool based on prior FFS experience
- Ø Value at % of Medicare reimbursement
- Ø Distributed on new patient encounter

- **Population Based Capitation**

- Ø Established from prior FFS experience
- Ø Paid to one provider group

- **Fee for Service**

- Ø Payment tied to Medicare fee for service rates

- **Incentive**

- Ø Based on communication to PCP
- Ø Payable to non-ancillary and super-SCP providers

Lessons Learned

- PCP Exclusivity
- Geographic Representation
- Provider Partnership
- Hospital Partnership
- Provider Capitation
- Common EMR
- Align Incentives

Glossary of Terms

Term	Definition
IPA (Independent Physician Association)	Physician-lead organization in which physicians are independent contractors, rather than employees
PMPM (per member per month)	A payment made to a provider each month for each member assigned to that provider regardless of frequency of service
Professional Risk	Responsible for provider (MD, DO, NP, PA, etc.) cost
Institutional Risk	Responsible for hospitals, LTAC, SNF cost
LTAC	Long-Term Acute Care
SNF	Skilled Nursing Facility
RBO	Risk Bearing Organizations
IBNR	Incurred But Not Reported (accounts payable)
Medi-Cal	California's version of Medicaid
DOFR	Division of Financial Responsibility
IHA	Integrated Healthcare Associations

CAPG website; www.capg.org

- Calendar of Events
- Advocacy
- CAPG Publications
 - Guide to Alternative Payment Models
 - Case Studies in Excellence
 - Pocket Health Plan Drug Formulary Comparison

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