Blended Capitation Model – Frequently Asked Questions for Primary Care Physicians

1. Q: Who is eligible to participate in the Blended Capitation Model demonstration project?

A: Office-based comprehensive primary care clinics that have high administrative capacity and are able to adapt to the anticipated practice changes are eligible to participate in the demonstration project. In addition, prospective clinics must operate out of a single location, have a minimum of three physicians, and all of the physicians within the clinic must be interested in joining the model. Clinics with physicians who work in an Emergency Department or urgent care centre in the same community as the clinic are not eligible to participate in the Blended Capitation Model demonstration project at this time.

2. Q: Why is a demonstration project being used?

A: The demonstration project allows the viability of the model to be explored in a live setting prior to full scale implementation.

3. Q: When does the demonstration project start and how long is it?

A: The demonstration project for the new model will start in winter 2017 and will last 18 months.

4. Q: Why is initial participation in the demonstration project being limited to five clinics?

A: By starting the demonstration project in five clinics, we’ll be able to address any issues that arise and make necessary adjustments. After an initial assessment of the first five clinics, additional clinics may be considered for model implementation during the demonstration project. Any additional clinics will be included in the evaluation of the 18-month demonstration project.

5. Q: Will additional clinics be allowed to join the new model before the demonstration project is complete?

A: After an initial assessment of the first five clinics, additional clinics may be considered to join the demonstration project.
6. **Q: Are clinics that join the model required to maintain a certain affiliated patient panel size?**

   A: No. Clinics that join the new model are not subject to any affiliated patient panel size requirements. Clinics have the discretion to sign up, or “affiliate”, as many patients as they see fit. The model compensates clinics based on patient affiliation. However, affiliated patients who are not able to access services at the clinic and must seek care elsewhere will cause the clinic to be financially penalized for the amount of the in-basket services provided. This means that physicians should consider patient access when creating their service delivery model.

7. **Q: What will the physician-patient affiliation process entail?**

   A: Both the physician and patient will sign a form agreeing to a physician-patient relationship and its associated expectations and benefits. Completed forms will be collected by clinics who will then submit the corresponding patient information electronically to Alberta Health through the ‘APP Online’ program. Physicians can bill up to two interactions with each patient before formally committing to the relationship. However, once the initial two interactions are exhausted, the physician will not receive compensation for any subsequent services provided unless they affiliate the patient.

8. **Q: Will the new model include a basket of services? How does the basket of services relate to capitation rates?**

   A: Yes. A basket of services has been developed to reflect the typical activities of a non-specialized general practitioner in an office-based setting. The capitation rate is calculated based on a patient’s average use of the basket of services based on their age, sex and risk status.

9. **Q: How will physicians be paid in this new model?**

   A: Once a patient is formally affiliated with a participating clinic, a payment structure will begin where a patient-based capitation payment is made bi-weekly. These payments are intended to compensate physicians for any in-basket health services provided and are calculated based on 85 per cent of the patient’s total capitation rate. Physicians are eligible to receive the remaining 15 per cent of the patient’s total capitation rate through fee-for-service submissions. In-basket health services will be paid the equivalent of 15 per cent of the fee-for-service rate, up to 100 per cent of the patient’s capitation rate. All out-of-basket services will be paid at 100 per cent of the fee-for-service rate. All other payments, such as the Business Cost Program and Rural Remote Northern Program, will not change.
10. **Q:** Will physicians be compensated if they provide care that isn’t part of the basket of services included in the model?

**A:** Yes. For affiliated patients, a clinic will be paid 100 per cent fee-for-service for any out-of-basket health services provided. For non-affiliated patients, clinics can bill up to two interactions (inclusive of in-basket and out-of-basket services) with each patient. However, once the initial two interactions are exhausted, the physician will not receive compensation for any subsequent services provided unless they affiliate the patient.

11. **Q:** Why is it important to continue submitting fee-for-service claims for in-basket health services?

**A:** Capitation rates are calculated based on the average use of the basket of services, therefore a significant decrease in reporting could compromise the level of compensation physicians receive. Additionally, a patient’s risk status is determined based on diagnostic codes associated with fee-for-service claims. If reporting decreases, risk status will be underestimated, patients will appear to be healthier than they are, and payment will be under-represented.

12. **Q:** What will happen to physicians’ compensation in this model? Will they be paid more under the model compared to fee-for-service?

**A:** In general, compensation levels will depend on a number of factors. For example, if a clinic creates efficiencies by utilizing other providers or prioritizing disease prevention, they may be able to sign up, or “affiliate,” more patients and receive a higher level of compensation. However, if a clinic increases its panel size to the extent that patient access is compromised, compensation may decrease due to financial penalties.

Financial modeling will be completed for clinics that are eligible, and selected, for inclusion in the model. This modeling will give clinics an idea of their future compensation levels. Additionally, clinics can leave the model at any time if the compensation arrangement no longer works for them.

13. **Q:** What happens if an affiliated patient receives care at a clinic other than their home clinic?

**A:** If an affiliated patient is seen at another clinic, the home clinic receives a financial deduction, also known as negation, for the value of the in-basket service provided. The home clinic will be negated for 100 per cent of the service cost and can be negated up to the 85 per cent capitation payment. If an affiliated patient subsequently signs up with a different clinic or leaves the province or country, the initial affiliation will be automatically terminated.
14. Q: Are there Information Technology requirements for physicians who participate in this new compensation model?

A: Yes. Physicians will be given access to the program 'APP Online' in order to affiliate patients. They will also be required to use an electronic medical record. Clinics that haven’t used APP Online will receive support from Alberta Health prior to implementation.

15. Q: Will the demonstration project be evaluated?

A: Yes. An evaluation will be completed by an independent third party at six month intervals with the full involvement of participating physicians. Alberta Health, the Alberta Medical Association and Alberta Health Services will use findings from the evaluation to identify concerns, explore solutions and examine the feasibility of applying the model to primary care clinics throughout Alberta.

16. Q: Some members of my clinic want to join the new model, while others wish to remain on fee-for-service. Can we have two different compensation models in one clinic?

A: No. All physicians within a clinic will need to move onto this compensation model. This will allow for continuity of care and sufficient access within the clinic.

17. Q: My clinic wants to join the demonstration project. What are our next steps?

A: Clinics that are interested in joining the model as a demonstration project site are required to fill out the Expression of Interest (EOI) form above and submit the completed form to Alberta Health by Sunday, December 11, 2016. Once the EOI closes, a selection committee will review the submissions and choose the candidate clinics. Before the final clinic selection is made, financial modeling will be conducted for the candidate clinics to determine if the model is viable for each clinic. Participation in the model is voluntary and clinics can leave the model at any time if the compensation arrangement no longer works for them.

18. Q: Where can I get more information on the Blended Capitation Model?

A: For more information, please e-mail Céleste Edwards at celeste.edwards@gov.ab.ca or Jennifer Kwan at jennifer.kwan@albertadoctors.org