

Blended Capitation Model Overview

Alberta Health, the Alberta Medical Association and Alberta Health Services have developed a new compensation model for primary care physicians that blends capitation and fee-for-service payments, called the **Blended Capitation Model**.

Why a New Model?

The goal of the new compensation model is to provide:

- Albertans – with increased access to primary health care, through strong relationships to their primary care physicians and improved continuity of care.
- Physicians – with the flexibility to provide services in different ways so they can spend more time with patients and deliver comprehensive care that encourages health promotion, wellness and enhanced collaborative care.
- Government – with a more sustainable health system with better accountability, stability and budget predictability.

Demonstration Projects

- Implementation of the model will begin in winter 2017 as an 18-month demonstration project. During this period, the viability of the model will be explored across five clinics.
- Clinics that have high administrative capacity and are able to adapt to anticipated practice changes will be considered for inclusion in the demonstration project.
- After an initial assessment of the first five clinics, an additional 10 clinics may be considered for implementation during the 18-month demonstration project.

Expansion of the Blended Capitation Model

- Upon completion and evaluation of the demonstration project, learnings from the initial phases will inform refinements required to adapt the model for successful implementation. Additional clinics will be added to the model each subsequent year using a phased implementation approach.

Eligibility

- During the demonstration project, primary care clinics are eligible to participate in the new compensation model if:
 - they operate out of a single location;
 - have a minimum of three physicians; and
 - all of the physicians within the clinic are 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.

Compensation

- The model includes a mix of patient-based (capitation) payments and volume-based payments through fee-for-service.
- As a part of the patient-based payment, primary care physicians will be compensated for each patient who is formally affiliated with their clinic. Through the affiliation process, both the physician and patient will sign a form agreeing to a physician-patient relationship and its associated expectations and benefits.
- A basket of medically insured 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 the average use of the basket of services based on a patient's age, sex and risk status.
- Each service that is provided from the basket of services is also eligible for a 15% fee-for-service payment up to the maximum of the capitation rate.
- All other payments, including those associated with the provision of health services that are outside the model's basket of services, will remain unchanged.

Evaluation

- During the demonstration project, the model will be monitored to identify issues, explore solutions and examine the feasibility of applying the model to primary care throughout Alberta.
- An evaluation will be completed by an independent third party with the full involvement of participating physicians.

Getting Involved

- Primary care clinics that are interested in joining the Blended Capitation Model as a demonstration project site are invited to submit an Expression of Interest.
- The Alberta Medical Association will send out an email notification to their membership once the Expression of Interest application process is open.

Contact

- For more information, please see the attached frequently asked questions and Model Elements Report.