



# ALBERTA MEDICAL ASSOCIATION

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# **Blended Capitation Model**

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# A New Compensation Model

Develop a compensation model that is flexible, is sustainable, and improves primary care service delivery to Albertans

Support the *Primary Care Compensation Strategy* and the Patient's Medical Home

Enable greater budget predictability for primary care services

Increase physician accountability for service provision and service delivery model



# Blended Capitation

Blended compensation models include elements of multiple compensation approaches

- Intent is to offset the downsides of one type of approach with the elements of another
- The literature supports blended compensation approaches and recognizes that no single blend is appropriate in all health systems

Alberta's Blended Capitation Model includes:

- Patient-based funding (capitation)
- Volume-based funding (fee-for-service)



# Clinic Panel

## Formal Affiliation

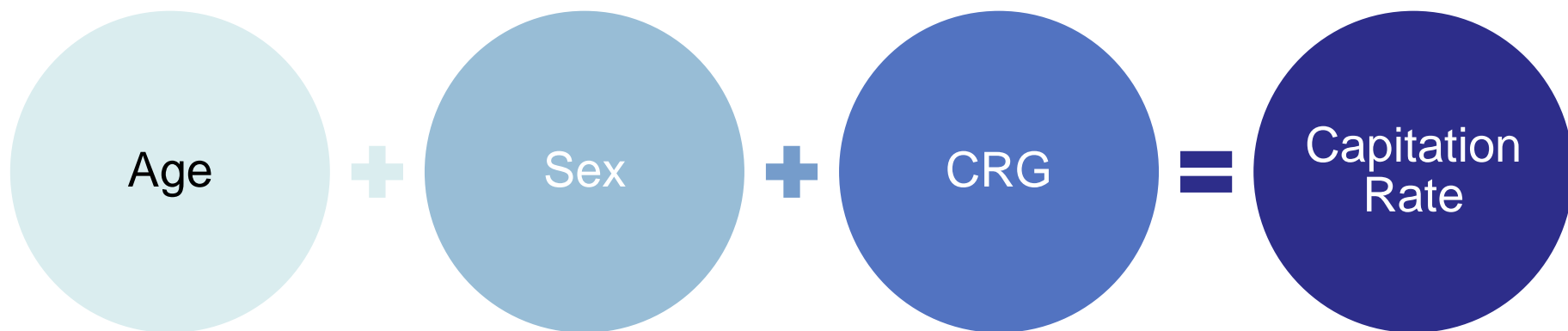
- Capitation model applies to affiliated patients.
- Up to 2 FFS services for non-affiliated patients.
- Otherwise, programs will only receive remuneration for care provided to non-affiliated patients on an emergency basis.
- Central registry by December 2017.

## Demonstration Project

- Initial panel provided by clinic and verified.
- Signed agreement between patient and physician.



# Patient Risk Adjustment





# Compensation Elements

**85%** **Capitation**

**+** **15%** **FFS**

**+** **FFS** **Out-of-basket**



# Continuity and Negation

## Not double-paying for the provision of a single service

- When a patient seeks care from other family physicians, Alberta Health will recover some or all of the value of that service from the BCM physician capitation rate.

## Continuity of care incentive

- Physicians are financially penalized if their patients seek services from other family physicians.
- When more care is provided by the patients' own physician, continuity of care is improved.





# Negation Transition

**Year 1**

**No  
Negation**

A large red prohibition sign (a circle with a diagonal slash) is overlaid on the text 'No Negation', indicating that this state is not the goal or is being phased out.

- Shadow negation report
- Interactive dashboard
- Alberta Health support

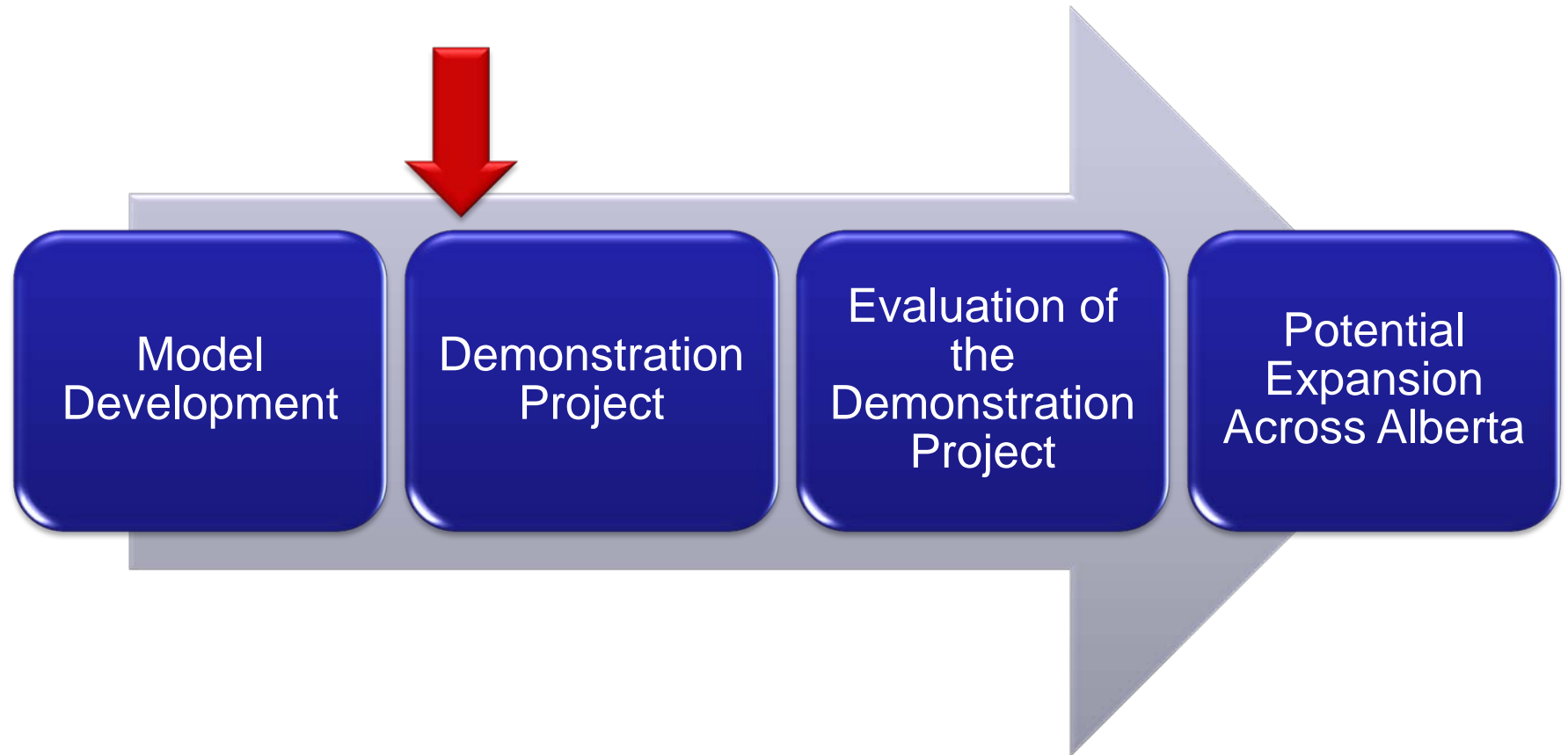
**Year 2**

**Full  
Negation**

On Basket of Services  
(basket doesn't include  
Emergency Department codes  
or Special Interest Consults)



# Project Overview





# Demonstration Project Clinics



**5** Community, office-based clinics



3 or more physicians in the clinic

**+5**

**Phase 2**

**+5**

**Phase 3**



# Blended Capitation Model

03.03A 03.04A 03.01BA 03.01J 03.01LG  
03.04J 03.02A 03.01B 03.01BB 03.01MT 03.01NG  
08.19G 03.01LH 03.01LI 03.01NH 03.01NI  
03.04M 03.05H 03.05I  
03.04I 03.04N 03.05JA 03.05JB 03.05JD 03.05JE 03.05LA  
03.05O 03.05S 03.05T 03.05U 03.05V 03.05W 03.05X  
08.19D 08.19F 08.19H 08.19J 08.19K 08.19L 08.19M 08.19N  
08.12A 08.44A 08.45 09.01F 13.59A 13.99BC 98.12L

**49 Codes**

**95% of office-based billings**



**Questions?**