



# Monterey County

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## Board Report

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**Matter Type:** General Agenda Item

Receive and accept an update from the Health Department's Clinic Services Bureau Chief on the newly adopted Central California Alliance for Health's Capitation Payment Methodology for Primary Care Services.

### RECOMMENDATION:

It is recommended that the Health and Human Services Committee of the Board of Supervisors: Receive and accept an update from the Health Department's Clinic Services Bureau Chief on the newly adopted Central California Alliance for Health's Capitation Payment Methodology for Primary Care Services.

### SUMMARY/DISCUSSION:

The report will provide an update on the changes to the Central California Alliance for Health (CCAH) reimbursement methodology that was presented to the Committee in January 2015.

On February 10, 2015, the Board of Supervisors approved the Fifth Amendment to the Primary Care Physician Services Agreement, between the Health Department's Clinic Services Bureau and CCAH, changing the payment methodology for Primary Care Services from Fee for Service (FFS) to Capitation. Since the adoption of the approved Amendment in March 2015, CCAH pays Clinic Services a Per Member Per Month (PMPM) rate or Capitation, for Primary Care Physician Services for CCAH linked members. PMPM rates are based on the patient's Medi-Cal aid code, which is ascertained by the Department of Social Services and the State of California.

The Clinic Services Bureau continues to receive the Prospective Payment rate for each eligible patient visit in addition to capitation and FFS. This has not been affected by capitation.

Since March 2015, under the current Capitation agreement, the Clinic Services Bureau has averaged over \$750,000 in total PMPM payments while during the previous FFS agreement, the Bureau was averaging a total of \$300,000 per month. See Attachment A.

It should be noted that Capitation payments are for specified Case Management Services only. Women's Health and Child Health and Disability Prevention (CHDP) are examples of services excluded from PMPM and paid as FFS.

### OTHER AGENCY INVOLVEMENT:

No other agency was involved in development of this report.

### FINANCING:

Under the FFS <<http://www.pbs.org/wgbh/pages/frontline/shows/doctor/care/glossary.html>> reimbursement agreement, Clinic Services Bureau received a total of \$3,563,427 from CCAH in Fiscal Year 2013-2014. The estimated Capitation revenue for calendar year 2015 is projected at \$5,485,440. (Capitation payment began in March 2015.)

Through the capitation payment method, Clinic Services has benefited from predictable and guaranteed monthly income based on the number of members assigned. One requirement of capitation is maintaining 1.47 visits per linked member per year. This is challenging given the high number of newly linked members. On January 1, 2014, when the Affordable Care Act went live, the MCHD Clinic Services Bureau had 27,630 CCAH linked patients. At the end of September 2015, there were 41,555 CCAH linked patient, an increase of 133%.

There is no effect to the County General Fund resulting from receipt of this report.

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Attachment A: Table CCAH Average Monthly Payment