DPA DISPATCH

CAPITATION vs. FEE FOR SERVICE. GUESS WHAT'S COMING?

Jerry Grodin, Ph.D.
NYSPA Director of Professional Affairs

At a meeting with Optum (United Behavioral Health) recently, I learned that they had a blueprint in place for the elimination of fee for service reimbursement. Yes, I said "elimination" of that tried and true method where you bill for a 90806 and you get a check (or electronic deposit) for services rendered.

At the follow-up webinar I learned that Capitation has already come to medical practices and will be at our doors before long.

Optum talks about our need to move toward a "Risk Bearing Business Model" meaning that we will share a big chunk of the risk in the new world of reimbursement.

Here is how it works for medical doctors. They get a fixed amount of money per insured patient per month. They get to keep this money. Which is nice, except that when the patient is ill the doctor must treat the person and get paid from the monthly money already accumulated. The message is "Fix them fast, make money," "Require multiple office visits and lots of tests – lose money." Keep the patient well and do well. There are also incentives. Meet the goal of having new moms screened for post-partum depression – bonus. Not meeting the goal and having a patient readmitted to the hospital within 60 days of discharge – lose your bonus.

So what about psychologists? The system is not fully worked out but this is how it might work. You would see a patient for an initial intake. Based on the diagnosis you would receive a fixed dollar amount to treat the patient. The more efficient the treatment (the fewer sessions) the more money you keep. See the patient long term and you lose lots of money.

What happens if you have success and you have money left over? A system is likely to result in something like you keep 50% of the surplus and the rest goes back to the insurance company. The expected number of sessions needed to treat the patient will likely come from actuarial tables indicating the average number of session you would be expected to need.

Psychologists, being the best trained mental health professionals, would more likely get the complex cases to treat.

Now this is only one example or one possible risk sharing model. It also stresses the goal of "Improved Quality and Improved Outcomes", a term used by UBH.

If this is the model that eventually gets implemented then it has certain built in assumptions. One must have clinical measures to show that the treatment goals have been met. Group practices will be able to spread out the financial risk better than a solo practitioner.

There were all types of charts and graphs available regarding reducing costs and measuring performance. One measure would be rating us and how well we meet the goals they set.

The Risk Sharing Model is going to take place. The example given is speculative. At this time a specific model has not been offered by Optum or any other insurance company specific to mental health capitation.

So, stay tuned as I continue to gain and share information. Integrated Care is only one part of the evolving equation. A "Risk Bearing Business Model" is another.