NEWFOUNDLAND AND LABRADOR
MEDICAL ASSOCIATION

March 2023

Briefing on Blended Capitation

Summary of Key Components

a.	Blended Capitation Model (BCM) established in MOA (80/20)
b.	21.8% increase in clinical compensation for in-basket services
c.	One-time Signing Bonuses
d.	Income to pay two-weeks of locum coverage
e.	Annual bonuses for quality of care and volume of procedures
f.	EMR to be paid by Government

Summary of Key Components

g.	Two-year income guarantee while transitioning to new model, plus 10.9% premium in the first year
h.	No negation
i.	Revenue for practices who wish to hire/contract with NPs or RNs
j.	Family Practice Renewal Program is main implementation arm
k.	Maintain practice autonomy

What is Blended Capitation?

- Alternate payment model
- Designed for independent community practice

Components:

Capitation Payment	FFS Payment	Physician and Patient Commitment	Physicians Group Together
Based on number of patients rostered with physician (80% of revenue) – compensates physician for all direct and indirect care provided to patients.	For direct patient encounters (20% of revenue)	Physician to provide access to a broad basket of primary care services; patient to seek all their primary care with the physician.	To provide after hours care and act as a team in the provision of care.

Rostering

Physicians will roster their patients through the EMR

Each patient in the province can only be attached to one physician

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Patients de-rostered when entering LTC (Nursing Homes)

New billing system will extract roster size from the EMR

Maximum Roster Size

Mediator’s recommendation – 2400 patients

Consistent with Ontario

Less than 10 physicians exceed this level

Capitation Rate

$180.97 per rostered patient (adjusted by complexity modifier)

Rate is derived from:

- 80% of the 3 year average earnings, of the average physician, for in-basket services
- Plus MOA increase – 13.31%
- Plus value of 2 weeks of locum support
- Plus Mediator’s recommendation – 21% increase

In-basket Services

- 62 codes (does not include home visits/personal care homes; flu/covid shots; Methadone/Suboxone monthly monitoring)
- A new “procedures” bonus adds $2500 for physicians who bill more than $1200 annually

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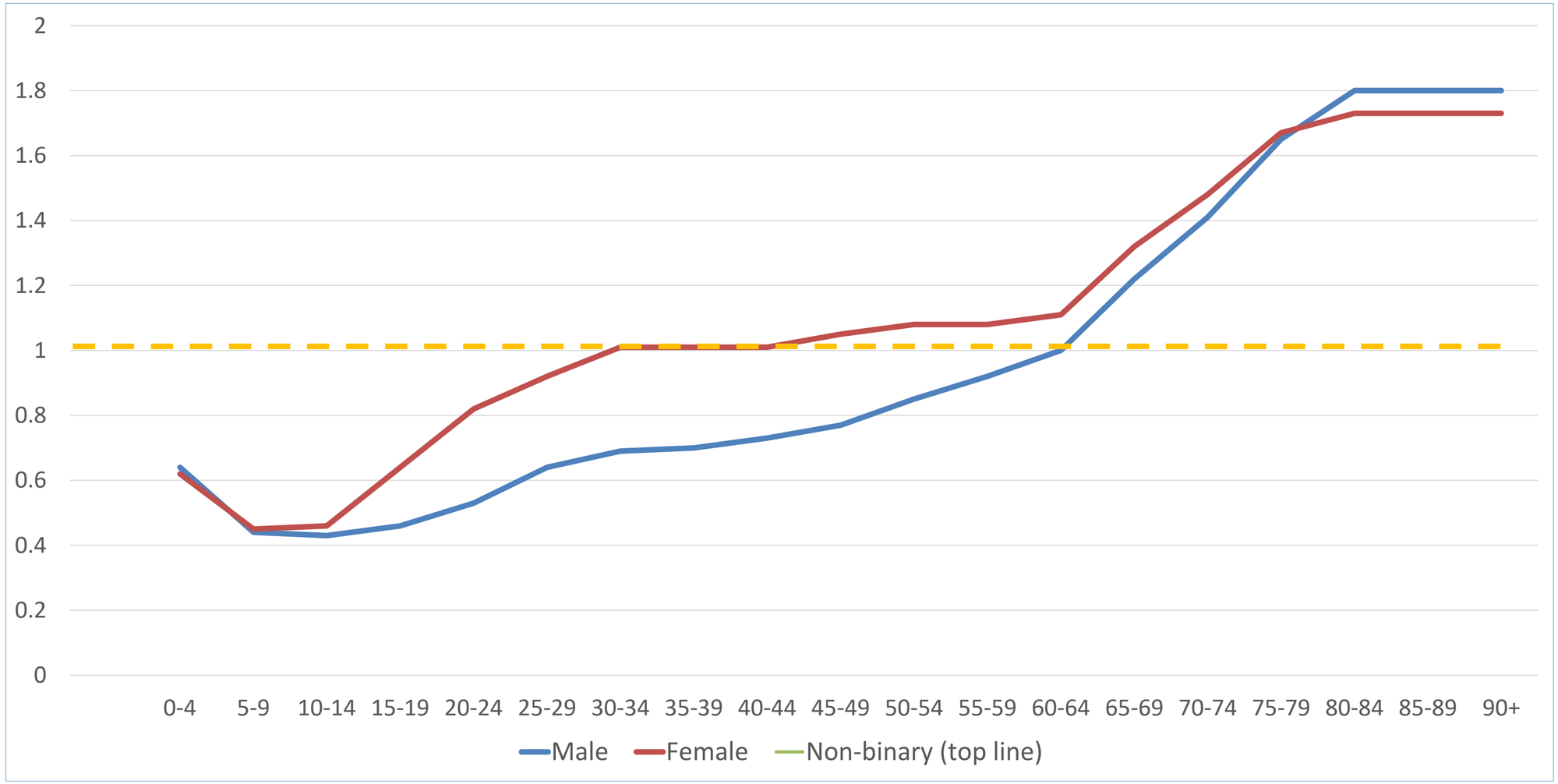
No negation if your patient seeks services elsewhere

Complexity Modifier (Age/Gender)



FFS Billing

	Rostered Patients	Non-Rostered Patients
In Basket-Services	25%	100% up to $56k
Out of Basket Services	100%	100%

NOTE: All compensation provided by RHAs, non-insured patients, WorkplaceNL, private insurance, etc. is outside the BCM

Bonus and Grants

Annual $7500 Quality of Care Bonus

In recognition of the physician’s participation in FPRP or practice-initiated quality programs, practice improvement and related professional development. Policy to be developed by FPRC.

One-time $10,000 Start-Up Grant

- In recognition of start-up costs… such as renovations, technology, training, and legal services.
- Payable from FPRP Surplus

One-time $11,250 Transition Grant

- Upon acceptance into the BCM
- Payable from Government

Locum Revenue

Capitation Rate has been boosted by value of two weeks capitation revenue
Designed to provide revenue to hire locums
Blended capitation groups will pay locums from the capitation revenue and the FFS MCP claims
If a doctor does not use locums in a year, the revenue stays with the doctor

Income Floor

Once accepted into the program, there is a two-year Income Floor, plus a 10.9% premium in the first year

Floor is calculated as average of two recent representative years of the physician

New billing system will be available near end of 2023…
…but doctors should start rostering and changing practice style from the outset

The Income Floor ensures that incomes will not suffer if doctors allocate time to practice improvement, rostering, meetings, etc. to get ready for the new system

Reconciliation will be done twice yearly

EMR

Provincial EMR subscription costs will be paid by GNL

Mediator’s recommendation was that all BCM physicians use the provincial EMR

Practices using alternate EMR will receive $30,000 to transition to the provincial EMR

GNL position was based on security and functionality

eDOCSNL
ELECTRONIC MEDICAL RECORD

Future Annual Income of a Physician

Source	Comment
Capitation Revenue	$180.97 per patient (as modified)
FFS In-basket	25% of FFS
Out of Basket and Non-Rostered	100% of FFS
Quality of Care Bonus	$7500
Procedures Bonus	$2500
MOA Bonuses (e.g., Retention; OBS)	As per MOA
EMR In-kind	$2400
RHA-based Work (e.g., ER, Hospitalist, Surgical Assist, sessional work, on-call payments)	Varies by physician
Private (e.g., non-insured services; Workplace NL; private insurance; etc.)	Varies by physician

Other Providers

NPs and RNs

a. Revenue from Capitation Rate (no FFS)

b. Maximum Additional Roster
- NP – 900 patients
- RN – 600 patients

c. Attached to physicians for billing purposes, but NPs can carry out MRP roles

d. Flexibility within practice to design team roles

Obligations

General

- Minimum Group Size – 3 physicians
- Rostering Agreement – commitment to patient
- Access – to encourage continuous improvement and/or maintenance of accessibility
- EMR – to adopt province EMR
- Data Sharing -data accessible to NLCHI for purposes of this Schedule

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Performance Indicators

- Access Only
  - % of same day or next day appts for attached patients
  - After hours access provided to attached patients
  - Proportion of total visits by attached patients to their Blended Cap physician group
- Monitoring and oversight

Visits Per week – aspirational goal

Access and After-hours Care

- Use best practice for scheduling (same day/next day)
- Coordinate within group to ensure primary care during daytime hours
- Minimum afterhours expectations (outside 9-5, M-F)
  - 2.2 hours per 100 patients, per Group, per 3-month period
  - Approximately 6 hours every 3 weeks for a full-time doctor
  - Minimum of 3 hours per week per group

Examples:

Number of Attached Patients	Hours per Quarter	**Average** Hours per week	**Minimum** Hours per week
3600	79	6.1	3
4000	88	6.8	3
6000	132	10.1	3
7200	158	12.2	3

Governance & Administration

a.	Department administers payment system
b.	FPRP governs and administers BCM Program
c.	Dispute Resolution • Consensus model of Decision-making • Dispute resolution on “termination from model” may go to Minister • NLMA can send Minister’s decision to arbitration
d.	Administration and Bonuses funded over 5 years from: • FPRP Surplus • $2m from GNL • Annual FPRP surplus ($2.7m) • Negotiate funding levels in MOA for after 5 years.

Schedule

April 3, 2023	Sept. 1, 2023	April 1, 2024	July 1, 2024
Open for applications	Start to issue notices of acceptance; thereafter 3 month processing time	Billing system ready for testing – 75 physicians	Billing system open to all

Change Management

NLMA advisory service

- Meetings with individual practices
- Calculation of possible future incomes
- Answer questions

NLMA Website

- All documents, plus FAQs

FPRP Program Support

- To be designed and managed by FPRP
- Goal – successful transition and practice optimization
