

CAPITATION

As taken from the Physician Services Provider Agreement, the definition of Capitation is “a monthly payment in the form of a per capita (or per person) amount. CenCal Health is paid a per member per month rate by the Department of Health Care Services (“DHCS”) for Medi-Cal patients and CenCal Health pays its contracted SBHI and SLOHI PCPs using the Capitation methodology set forth in Attachment A-2 to the Agreement. Whenever this term is used in the Agreement or in Exhibits A or F, it, or a portion of the full Capitation rate, pertains only to payment for PCP's Class 1 SBHI and SLOHI Members excluding Medi/Medi Members.” Medi-Medi Members are SBHI or SLOHI Members who are also eligible to receive Medicare. Medi-Medi claims are reimbursed on a fee-for-service basis up to the Medicare allowable.

Under SBHI and SLOHI, most members must choose a PCP or “case manager” who will coordinate all of their medical needs, including referrals to specialists when necessary. This primary care approach is intended to eliminate unnecessary services while simultaneously enhancing access, quality, and continuity of medical care.

Capitation is not the payment methodology used to reimburse PCPs and Case Managers who participate in the Healthy Families, Healthy Kids, **Prenatal PLUS 2 (PP2)** programs, or who render services to Medi-Medi Members; rather these providers are paid on a fee-for-service basis. Claims for HFP, HK, **PP2**, or Medi-Medi services are NOT considered Encounters.

Encounter Reporting

SBHI and SLOHI PCPs receive monthly case management reports for Members assigned to them, whether or not they see the Members. The PCP must report to CenCal Health the services rendered during the month to each case managed Member he/she sees. Reporting of these services is referred to as encounter reporting, and is a contractual requirement. Instead of submission of Encounters for Medi/Medi Members, PCPs should submit Claims forms.

The following codes are considered “Encounters”, and should be billed on a HCFA 1500 form, as a CenCal Health Web e-claim, or through other electronic methods:

99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, 99215,
99221, 99222, 99223, 99231, 99232, 99233, 99238, 99291, 99292,
10060, 11100, 11101, 11740, 12001, 12011, 16000, 16020, 69210,
81000, 81002, 81005, 81015, and 82271.

All other procedures performed by the PCP should be billed fee-for-service on either the CMS 1500 or UB-04 forms; refer to the Claims Section of this manual for further information on fee-for-service billing.

Encounter Submission Helps Determine Rates

Encounter reporting is an important requirement and is one of the quality measures that is utilized in the PCP Incentive Program. Encounter reporting is also important because:

- It is a factor in how the State determines SBHI and SLOHI rates;
- It influences how CenCal Health calculates annual capitation rates for PCPs;
- The services reported by the PCP are used by CenCal Health's Health Services Department and the Quality Improvement Committee in studying the quality, adequacy, availability, timeliness, and continuity of care rendered to Medi-Cal members in CenCal Health's Service Area.

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