

Global Capitation Payments Result in the Highest-Quality Primary Care for Seniors

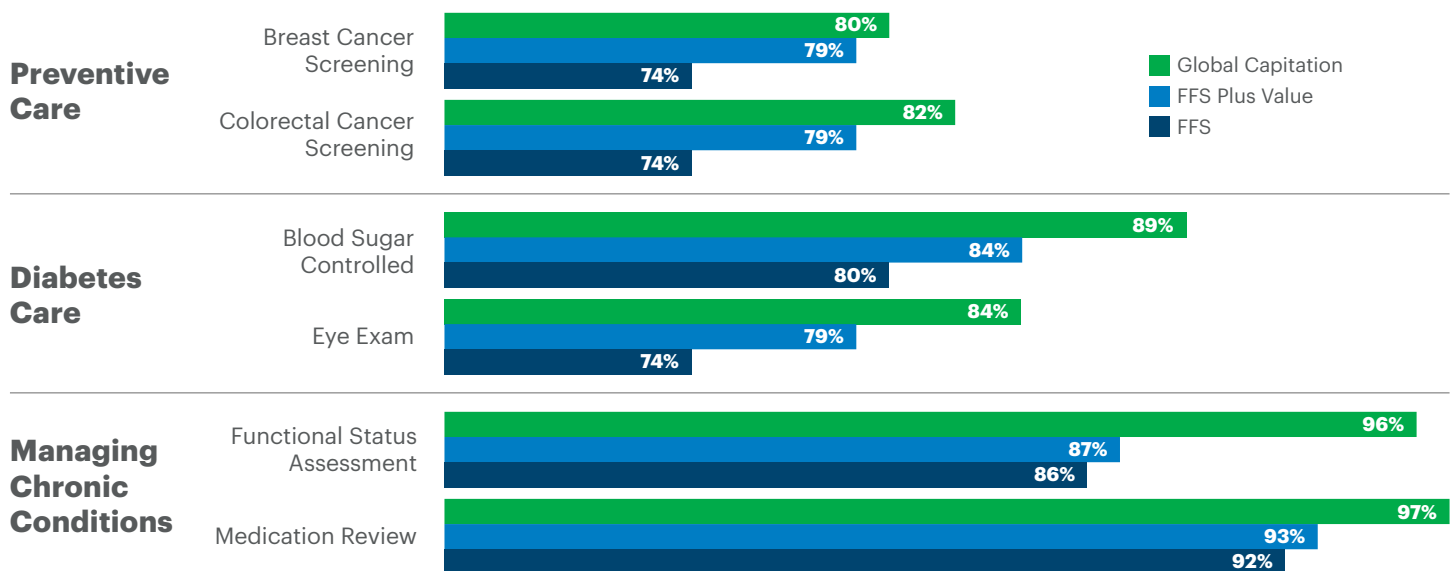
Primary care physicians are paid by health plans under various arrangements, including:

- **Fee-for-service (FFS)**, where payments to physicians are based on the volume of the services they deliver and an estimate of their complexity
- **FFS plus value**, which combines FFS payments with incentives and, potentially, limited financial risk based on the quality of care provided and patients' overall health care costs
- **Global capitation**, where physicians are paid a set amount per month for each patient and accept full financial risk for patients' overall health care costs

Primary care physicians paid under global capitation outperform physicians paid under FFS plus value, who in turn outperform physicians paid under FFS.

This analysis compared how frequently patients enrolled in Medicare Advantage plans in 2018 received key services related to preventive care, diabetes care, and managing chronic conditions, based on measures from the National Committee for Quality Assurance's Healthcare Effectiveness Data and Information Set (HEDIS).

Primary Care Quality and Physician Payment: Share of Medicare Advantage Patients Receiving Key Services, 2018



Primary care physicians paid under global capitation have strong incentives to deliver the right services, at the right time, in the right setting, in order to maintain their patients' health, manage their chronic conditions, and keep them out of the hospital. As a result, they are better positioned to:

- Spend more time engaging with patients
- Prioritize preventive services and care management programs
- Invest in and use data analytics and information technology
- Avoid unnecessary interventions that increase risk and complications for patients
- Focus on keeping patients healthy and out of the hospital

Methodology is available at: www.uhg.com/global-capitation-research.