

# The Health Plan/ IPA Relationship: Partners in Health Care Delivery

Presented to: The Sacramento Medi-Cal Managed Care  
Stakeholder's Advisory Committee

By: Anthem Blue Cross  
Health Net &  
Molina Healthcare

This presentation is a collaboration of the Sacramento following Geographic Managed Care Plans:



# Outline

- What IS an IPA?
- Why Work with IPAs?
- What's the Benefit of a Plan/IPA Contract?
- Nature of the Health Plan/IPA Relationship
- What is the function/responsibilities of the IPA?
- What does the State have say about this?
- Oversight: Who's in charge?

# What is An IPA?

- **Independent Provider Association *or* Independent Practice Association**  
An IPA consists of a network of physicians in a region or community—solo practitioners and groups of physicians—who agree to participate in an association to contract with health maintenance organizations, other managed care plans, and also vendors for the benefit of the each of the physicians in the IPA. The IPA physicians do not combine their individual practices. Instead, the IPA physicians retain their practices and work out of their own offices.  
(source:<http://www.physiciansnews.com/business/701.html>)

**Participating Provider Group (PPG)** is a term often used interchangeably with IPA.

# What is An IPA?

- There are over 140 IPAs in California

source: [http://www.cattaneostroud.com/med\\_group\\_reports/pivotfiles/PivotContact\\_GpType.xls](http://www.cattaneostroud.com/med_group_reports/pivotfiles/PivotContact_GpType.xls)

- There are ten\* IPAs operating in Sacramento County

- Employee Health Systems
- Hill Physicians Medical Group
- Mercy Medical Group
- Molina Medical Group
- Permanente Medical Group\*
- River City Medical Group
- Sierra Nevada Medical Associates
- Sutter Independent Physicians
- Sutter Medical Foundation
- UC Davis Medical Group

source: [www.cattaneostroud.com](http://www.cattaneostroud.com)

# Why Work with IPAs?

*In an era of inadequate State rates, plans look for opportunities to align incentives and operational functions with local IPAs in order to effectively deliver quality healthcare services to our Medi-Cal members and meet regulatory guidelines.*

# What's the Benefit of a Plan/IPA Contract?

## Benefits to the Plan

- **IPAs help Plans ensure adequate provider network.**
  - Groups of providers find it easier to build and maintain primary and specialty at the local level.
- **Sharing 24 hour access to care responsibilities**
- **Delegating network management and care coordination to local groups allows the plans to focus their resources on:**
  - Quality Improvement activities, member satisfaction, member grievances and appeals, provider satisfaction initiatives, timely access monitoring and reporting to regulators, provider and member education programs, facility site reviews and credentialing improvements, holding the delegated groups accountable for meeting the plan's UM and prior authorization policies, and meeting state and federal requirements.
- **Streamlines administrative work for the Plans.**
  - Reporting is consolidated. Groups collect, batch and submit data to plans for timely DHCS submission.
- **Dedicated Staff, Programs, or materials to enhance Plan's efforts.**
  - Outreach, Community Building, health education

# What's the Benefit of a Plan/IPA Contract?

## Benefits to the Provider

- **Can reduce administrative burdens for individual providers**
  - Having the IPA assume administrative functions allows providers to focus on patient care.
- **May reduce providers' individual financial risk**
  - More revenue stream certainty may attract additional providers to participate in the program.

## Benefits to the Member

- **Access to robust integrated provider network**
- **Treatment recommendations are made at the physician level.**
- **Increased Quality of Care**
  - Physicians can jointly evaluate the quality of care given to patients, and thus improve care.
- **Enhanced member resources**
  - IPAs can collaborate with plans to develop their own education materials in addition to the Plans' to support health services
  - Standardized linkages to community resources.



## HMO ENROLLMENT RANGES & PHYSICIAN COUNT FOR ACTIVE CALIFORNIA MEDICAL GROUPS - June 2012

Count of GroupName				
CountyName	GroupName	MCal_HF Enrollment	Number PCPs	Number Specialists
SACRAMENTO	EMPLOYEE HEALTH SYSTEMS (EHS)	50,000-99,999	92	344
	HILL PHYSICIANS MEDICAL GROUP	25,000-49,999	145	416
	MERCY MEDICAL GROUP (A service of CHW Foundation)	<5,000	35	219
	MOLINA MEDICAL GROUP	10,000-24,999	8	0
	PERMANENTE MEDICAL GROUP	25,000-49,999	285	483
	RIVER CITY MEDICAL GROUP	50,000-99,999	112	500
	SIERRA NEVADA MEDICAL ASSOCIATES	none	80	246
	SUTTER INDEPENDENT PHYSICIANS	none	72	393
	SUTTER MEDICAL FOUNDATION	<5,000	136	249
	UC DAVIS MEDICAL GROUP	5,000-9,999	132	635
SACRAMENTO Total				
YOLO	COMMUNICARE HEALTH CENTERS	5,000-9,999	32	23
	PERMANENTE MEDICAL GROUP	<5,000	12	4
	RIVER CITY MEDICAL GROUP	<5,000	8	0
	SUTTER MEDICAL FOUNDATION	<5,000	52	41
	UC DAVIS MEDICAL GROUP	<5,000	9	4
	WOODLAND CLINIC (A service of CHW Medical Foundation)	5,000-9,999	27	46
YOLO Total				
source: <a href="http://www.cattaneostroud.com/med_group_reports/pivotfiles/PivotEnrollmentPhys.xls">http://www.cattaneostroud.com/med_group_reports/pivotfiles/PivotEnrollmentPhys.xls</a>				

# Nature of the Health Plan/IPA Relationship

- The Plans are not privy to and do not receive copies of individual provider contracts between the IPAs and their participating providers.
- Generally, the Plans cannot dictate the contracting practices of the IPAs but must ensure compliance with regulatory requirements.
- The Plans' ensure that its subcontractors adhere to the provisions outlined in their contract with the DHCS and their related policies and procedures.
- Plans can *encourage* IPAs to contract with individual providers, community clinics, FQHC etc. in an effort to enhance their member's access to care throughout the County.
- Plans are accountable to the member, DHCS and DMHC for the actions of contracted IPAs and the adequacy of provider networks.
- The stipulations for provider participation included in the IPAs' contracts must be in line with the rules and regulations governing the Plans' participation in the Medi-Cal managed Care program as outlined in the contract with the DHCS.

# Function/Responsibility of the IPA

## Defined by two factors:

- Plans' contract with the DHCS for participation in the Medi-Cal Managed Care Program
- Contracted risk arrangement between the Plan and IPA

# Function/Responsibility of the IPA cont.

## DHCS Medi-Cal Contract based responsibilities:

- Provide all covered and medically necessary services
- Submit encounter data, utilization management reports, and credentialing reports to Plan, which allows the Plan to meet its administrative functions and requirements
- Maintain a network of providers sufficient to meet the access standards
- Facilitate referrals and authorize services
- Adjudicate provider claims
- Assist in preparing for, and responding to any audit

# What Does the State Have to Say?

Per the GMC Medi-Cal Contract:

## “IPA arrangements are acceptable”

*Exhibit A, Attachment 6, Provider Network–Section 12*

- Contractor may enter into Subcontracts with other entities in order to fulfill the obligations of the Contract. In doing so, Contractor shall meet the subcontracting requirements as stated in 22 CCR 53250, as well as those specified in this Contract. Contractor shall remain accountable for all functions and responsibilities that are delegated to subcontractors.

## “Plans, you are responsible for making sure IPAs are up to the task and perform”

*Exhibit A, Attachment 18, Implementation and Deliverables–Section: Finance Part G*

- Describe systems for ensuring that subcontractors, who are at risk for providing services to Medi-Cal Members, as well as any obligations or requirements delegated pursuant to a Subcontract, have the administrative and financial capacity to meet its contractual obligations.

# What Does the State Have to Say? cont.

## *Exhibit A, Attachment 4, Quality Improvement System–Section:6*

### ▶ Delegation of Quality Improvement Activities

A. Contractor is accountable for all quality improvement functions and responsibilities (e.g. Utilization Management, Credentialing and Site Review) that are delegated to subcontractors. If Contractor delegates quality improvement functions, Contractor and delegated entity (subcontractor) shall include in their subcontract, at minimum:

- 1) Quality improvement responsibilities, and specific delegated functions and activities of the Contractor and subcontractor.
- 2) Contractor's oversight, monitoring, and evaluation processes and subcontractor's agreement to such processes.
- 3) Contractor's reporting requirements and approval processes. The agreement shall include subcontractor's responsibility to report findings and actions taken as a result of the quality improvement activities at least quarterly.
- 4) Contractor's actions/remedies if subcontractor's obligations are not met.

B. Contractor shall maintain a system to ensure accountability for delegated quality improvement activities, that at a minimum:

- 1) Evaluates subcontractor's ability to perform the delegated activities including an initial review to assure that the subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities.
- 2) Ensures subcontractor meets standards set forth by the Contractor and DHCS.
- 3) Includes the continuous monitoring, evaluation and approval of the delegated functions.

# Oversight: Who's in Charge?

The Plans *proactively* monitor and oversee the IPAs based on conditions outlined in their individual contracts with the IPA. The quality and integrity of the IPAs administration of the program is evaluated at several key times and points.

*(Examples only—timeframes may vary for a specific indicator)*

## Daily

- Hospital Admissions/ Discharges
- Emergency Authorizations
- Case Management Review

## Monthly

- CCS Identification/ Tracking
- Pregnancy Notification
- Referrals

## Annually

- Utilization Management Audit
- Quality Improvement System Review

# Oversight: Who's in Charge?

*The Plans have rules and processes to ensure IPA compliance with the responsibilities outlined in their contract.*

## Corrective Action

IPAs can be sanctioned by the plan for deficiencies in the provision of services, administrative deficiencies, or non-compliance with the contract.

Approaches vary by plan but may include:

- a corrective action plan that the IPA and Plan develop together with set goals and a timetable for completion
- percent withhold of capitation payment
- de-delegation- The Plan may take back and perform delegated tasks within the plan until the IPA has illustrated their ability to effectively resume the task(s).

## Termination

- Plans have the right to terminate IPA contracts.
- Plans may also retain the right to deny, approve, suspend, limit, or terminate a practitioner agreement through the credentialing process.



# Oversight: Who's in Charge?

As the holder of the contract with the DHCS, ultimately the buck stops with the Plan.



# Questions?

**Thank you!**