# Clinical ARPs 101

A Model Overview

**August 2024**



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# Objectives

**To better understand:**

- Key aspects and guiding principles that apply to all clinical ARPs
- The clinical ARP models
- ARP governance requirements and the physician group decisions that need to be made.



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# The Key Things You Need to Know About Clinical Alternative Relationship Plans (cARPs)



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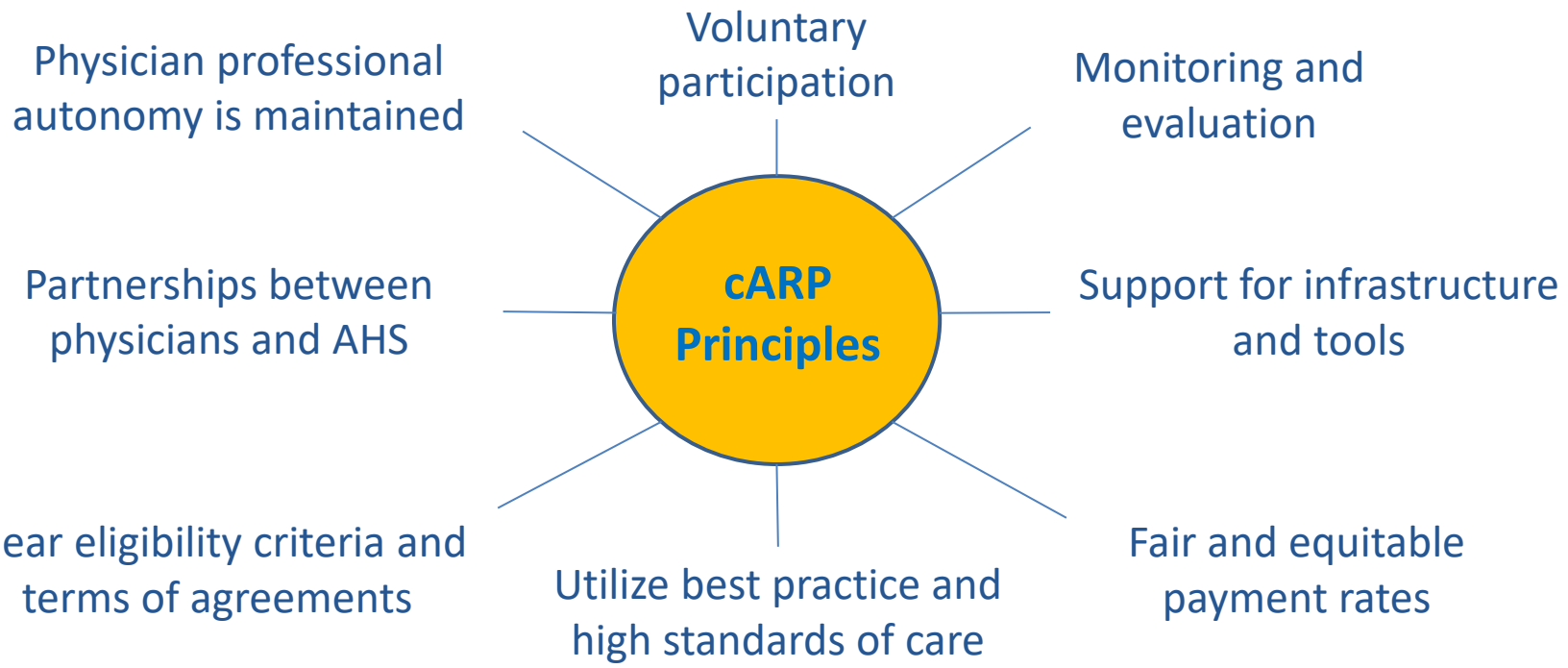
# Guiding principles

- Designed to provide an alternative to the FFS payment method and operate based on the following principles:



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# Funding is for clinical services only

Set remuneration amounts in exchange for delivering . . .


Scope

| | | | | |
|---|---|---|---|---|
| Narrow | e.g., | Pediatric anesthesia out-of-OR services | One small clinic | Patients with chronic wounds needing specialized treatment |
| Broad | e.g., | Mental healthcare services | All Mental Healthcare Outpatient Clinics | Patients requiring mental healthcare follow-up services |



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# Clinical ARPs do not fund . . .

- On-call availability
- Lecture-based teaching
- Research
- Travel time
- Vacation / sick time
- Benefits
- Administration / meetings
- Any time for which you are earning other clinical income

cARP physicians are eligible to receive physician benefit program payments (e.g., RRNP, BCP, SOC, ROC, etc.)



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# ARPs are legally governed through Ministerial Orders (MO)

- MOs have two parts:
  - ***Program Parameters***
  - ***Conditions of Payment***

- **Letter of Participation**

- **Authorized Representative(s)**

- **AHS Services Agreement**
  - For programs in AHS facilities



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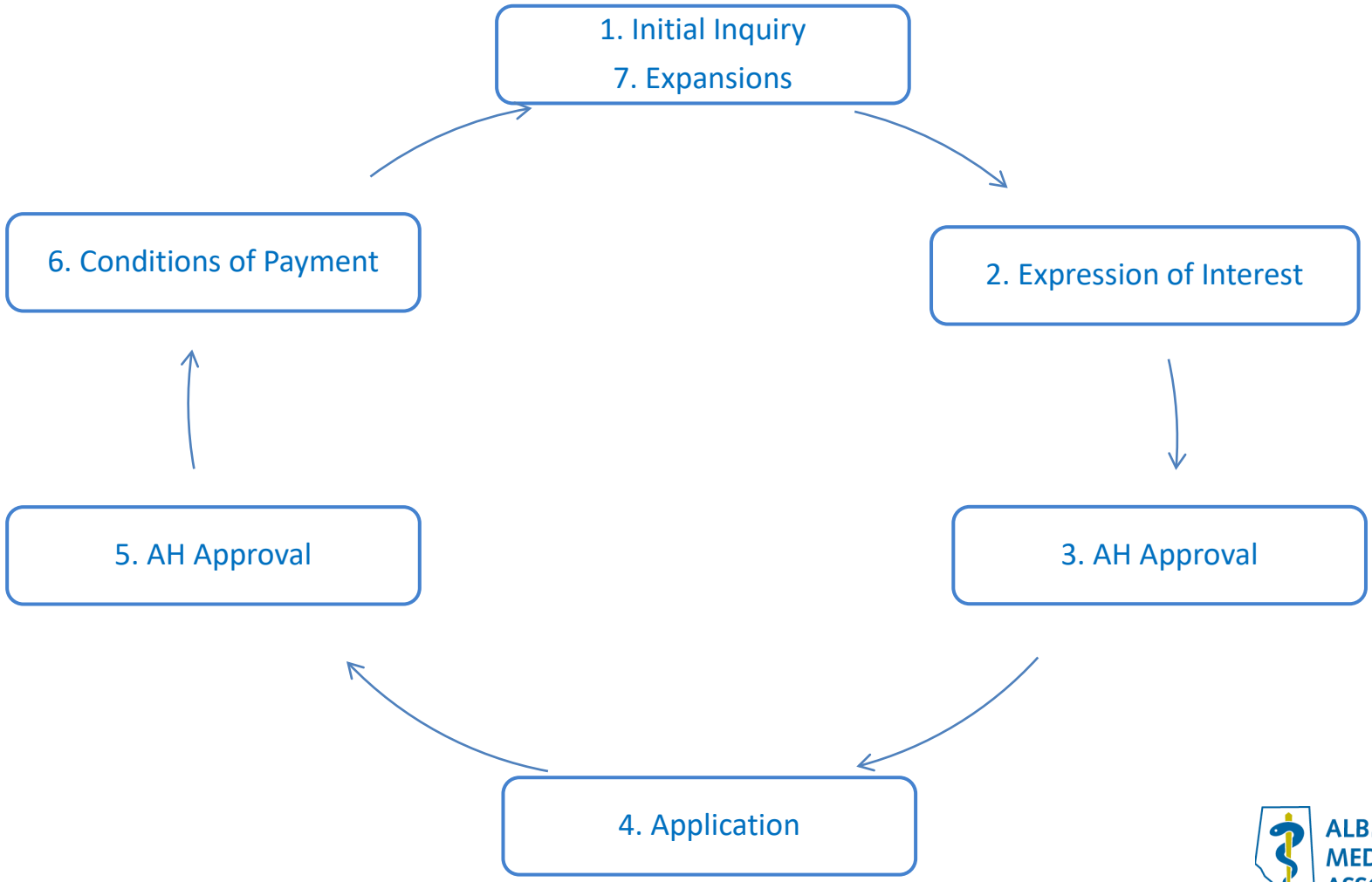
# Process of Development



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# Four types of funding models

| Annualized (GP or specialist) | Sessional (GP or specialist) | Capitation (GP primary care) | Blended Capitation (GP primary care) |
|---|---|---|---|
| ➢Funding is based on # of physician FTEs required to deliver ARP services<br><br>➢ Funding rate per 1.0 FTE varies by specialty (e.g., GP = $374,972 per year)<br><br>➢ FTE is a time-based unit of measure (e.g., GP = 241 days or 1928 hours/year)<br><br>➢ Can participate part-time or full-time in ARP<br><br>➢ Can bill FFS for non-ARP services (outside of ARP time) | ➢Funding is based on # of annual hours required to deliver ARP services<br><br>➢ Funding rate is $226.19 per hour (all specialties)<br><br>➢ Intended for small specialized programs<br><br>➢Part-time participation up to 16 hours per week (832 hours annually)<br><br>➢ Can bill FFS for non-ARP services (outside of ARP time) | ➢Funding is based on an annual amount per patient to deliver ARP services (capitation rate) multiplied by the # of affiliated patients<br><br>➢ Different cap rates for 40 age/gender categories (avg. ≈ $325/patient/year)<br><br>➢ "Negation" if physician outside the ARP provides ARP services (at FFS value up to cap rate)<br><br>➢ Can bill FFS for non-ARP services and un-affiliated patients (limits)<br><br>➢ Crowfoot: formal signed affiliation; office services only (91 codes)<br>➢ Taber: geographic roster; office, ED, inpatient and LTC services (98 codes) | Similar to capitation model. Key differences are:<br><br>➢ Annual amount per patient is a blend of 85% of cap rate plus 15% of FFS rate for ARP services (up to max of 100% cap rate)<br><br>➢ Different cap rates for 9,560 categories based on age, gender, and health risk (average 100% cap rate ≈ $280-$320/pt/year depending on panel)<br><br>➢ Negation at FFS value up to max of 85% of patient cap rate<br><br>➢ No negation for first year of implementation<br><br>➢ Office services only (59 codes) |

# Funding rate ≠ Payment rate

- Funding rates are intended to reflect average FFS payments
- Funding rates are inclusive of overhead
- Physician groups have flexibility
- After covering overhead, the cARP physician group may want to vary internal payment rates with remaining funds.



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# Sessional Invoicing - Funding Process

- Funding is tied to the submission of claims using SOMB and ARP codes.
- Physicians are required to attach a time modifier (TM) to each claim for the actual time spent delivering the service.
- Time is reported in full 5-minute increments. For example, 5 minutes is reported as TM01, 18 minutes is reported as TM03, and 30 minutes is reported as TM06.
- The maximum length of time that can be claimed per health service code is 8.25 hours or TM99 and the maximum length of time that can be claimed per day is 24 hours.



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# Performance measures & reporting requirements

- Performance goals and measures are developed during the application process

| Type of Reporting | Funding Model | Frequency | By Whom |
|---|---|---|---|
| Performance Reporting | All | Quarterly | Participating Physician Authorized Rep (AR) |
| Performance Reporting | All | Annual | AR |
| FTE Reports | Annualized | Monthly | AR |
| Service Event Reporting (Shadow Billing) | All | Daily/Weekly (on a regular basis) | All participating physicians |



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# Effective internal governance & change management

## Internal Governance

- Develop a physician practice agreement
  - May require partnership / collaboration with AHS
  - Ensure all physicians are meeting terms, accountability and reporting requirements
  - Specify how the group is going to make decisions and resolve disputes

## Change Management

- Change is often greater than we think
- Invest the time to make changes
- AMA supports are available to help
- Learn from others who have been there



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# Internal Decisions

- Overhead rate and process
- Internal payment rates/incentives
- Create a payment process
- Create an invoicing system, if necessary
- Agree on performance measures and reporting process
- Scheduling process



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