

RELATIVITY PRIMARY CARE MODEL

Where are the FHOs in CANDI?

There is horrendous prejudice and misunderstandings regarding the remuneration of primary care physicians who practice in FHO (and their close cousin FHN) capitation models.

Most do not appreciate the implications of a capitation-based (flat rate) payment model. I wrote a [related article here](#) to help the public understand how family doctors are paid. Perhaps it may be worth the read for physician colleagues as well.

WORK NOT CAPTURED BY OHIP BILLINGS

This flat rate payment model incentivizes family physicians to provide services even on days when they are away from clinic or not seeing patients in person, thus not submitting OHIP billings on those days. Most FHO family physicians are metaphorically joined at the hip to their EMRs. They write notes, check on test results, read consult notes, fax prescriptions, respond to patient messages and emails - in the evenings, on the weekends, on stat holidays, and even stay connected during their vacations. Such is the nature and commitment of working within a FHO model.

Furthermore, many FHO physicians pay additional overhead for services that allow them to be more accessible to their patients, such as online portals.

In a sense, many FHO family physicians are 'on call' for their patients 365 days per year.

None of this gets captured by OHIP billings, though, because OHIP (even the shadow billings) can only be billed for face-to-face in clinic encounters.

COMPLEX MULTI-ISSUE VISITS

In FHO models, physicians still bill OHIP for patients they see in clinic. This generally only pays them 15% of the Fee-For-Service rate, though. The most common fee code in primary care (A007 for an intermediate assessment), pays \$32.64 for the visit. So, on average, most clinic visits for FHO doctors pay an additional \$4.90 (15% of \$32.64). Once staffing wages are accounted for, the net amounts to a mere \$2.53 per visit. (This is not even including all other overhead costs).

A007 Visit**INCOME:**

Description	Fee Code	Amount	Inside FHO Basket	Actual Paid	3.15% Fee Cut	Final Payment
Assessment	A007	\$33.70	Y	\$5.06	-\$0.16	\$4.90
TOTAL						\$4.90

EXPENSES**STAFF TIME:**

Role	Cost/Min	Time	Total Cost
Reception	\$0.38	2	\$0.77
Usher	\$0.40	4	\$1.59
TOTAL			\$2.36

SUPPLIES

Item	Cost/Item	#	Total Cost
			\$0.00
			\$0.00
TOTAL			\$0.00

NET:	
Income	\$4.90
Expenses	\$2.36
TOTAL	\$2.53

Again, most of the physicians' work is "pre-paid" by the flat rate capitation rate, so the physician is effectively making far more than \$2.53 per visit. That is not the argument here.

What this does, though, is incentives family physicians to provide services by NOT bringing them back in person to the clinic (and not billing OHIP). As above, family physicians use a variety of means to serve their patients outside of clinic hours (phone, email, online, etc).

The other consequence is that FHO family physicians are economically incentivized to deal with multiple complex issues all within a single visit, rather than recalling a patient multiple times. It costs more to recall patients multiple times in this model and decreases overall access and capacity.

WHERE ARE FHOs in CANDI?

The most current version that the OMA is using is tremendously flawed as it applies to family medicine, and especially FHOs. I recently wrote a memo explaining this, [available here](#).

Regardless, even when this inaccurate version of CANDI is applied to FHOs and the different payment models of primary care, here are the results:

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,098	0.98	1.03	1.03	0.67	1.00	1.00	\$765	0.84

Gross Daily Income for Family Medicine

		Blended Capitation (FHN, FHO)	Enhanced FFF (CCM, FHG)	Non-PEM
A	Professional FFS	\$165.29	\$981.39	\$537.66
B	Shadow Billings	\$81.26		
C	CCM Daily Rate (365 days)	\$120.05	\$110.81	
D	Base Capitation (365 days)	\$571.49		
E	Access Bonus (365 days)	\$61.22		
F	Total Annual Days	207	230	145
G	% After-Hours	14.6%	11.7%	7.9%
H	Adjusted CCM Daily Rate $(1-G)*(365/F)*C$	\$180.78	\$155.28	\$0.00
I	Adjusted Base Capitation $(1-G)*(365/F)*D$	\$860.58	\$0.00	\$0.00
J	Adjusted Access Bonus $(1-G)*(365/F)*E$	\$92.19	\$0.00	\$0.00
K	Gross Daily Income A+B+H+I+J	\$1,380.09	\$1,136.67	\$537.66
	Weights	45.9%	28.9%	25.3%
	GDI for Family Medicine		\$1,097.99	

CANDI By Payment Model: *

FHN/FHO

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,380	0.98	1.03	1.03	0.67	1.00	1.00	\$961	1.06

CCM/FHG

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,137	0.98	1.03	1.03	0.67	1.00	1.00	\$792	0.87

FFS

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$538	0.98	1.03	1.03	0.67	1.00	1.00	\$375	0.41

- Family Medicine as a whole receives a CANDI score of 0.84
- FHO/FHNs receive a CANDI score of 1.06
- FHG/CCMs receive a CANDI score of 0.87
- Straight Fee-For-Service receives a CANDI score of 0.41

It is important to note, though, that these scores are not 100% accurate because the modifiers for Family Medicine (i.e. 0.98 Per Diem Modifier, 1.03 Non-Fee-For-Service Modifier, 1.03 Hours Modifier, 0.67 Overhead Modifier) in CANDI have all been calculated for the aggregated Section as a whole. If the payment models were to be disaggregated, then the modifiers would have to be re-calculated for each of the separate payment models. (We do not have accurate data for this, though).

FHOs IN CORRECTED CANDI

Again, [as I wrote about here](#), the current model of CANDI being applied to Family Practice is tremendously flawed, especially as it applies to FHO physicians.

All of the Capitation Payment Rates, CCM fees, and Access Bonus payments for family physicians would be adjusted and attributed to only days on which family doctors submitted OHIP billings.

This dramatically and negatively affects the overall CANDI score for Family Physicians as it inaccurately assumes that “days billed” equals “days worked.” As explained above, in capitation payment models, this is especially untrue as the “flat rate” payment model incentivizes and encourages family physicians to work and provide services including on days when they are not submitting OHIP billings.

Preliminary data gathered from the EMRs of FHO Family Physicians suggests that FHO family physicians are actually working, on average, 269 days per year. It is just that they are only submitting OHIP billings on 207 days, on average.

Even if the current CANDI formula was corrected to a more conservative 250 working days for FHOs, the results are as follows:

(Note: in this example, FHGs/CCMs are also being credited with 250 working days. Data will be needed to confirm the accuracy of this. Nevertheless, this does not dramatically affect the CANDI scores for FHGs/CCMs one way or the other because the vast majority of their income is from Fee-For-Service, not capitation rates nor access bonuses).

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,005	0.98	1.03	1.03	0.67	1.00	1.00	\$700	0.77

Gross Daily Income for Family Medicine

		Blended Capitation (FHN, FHO)	Enhanced FFF (CCM, FHG)	Non-PEM
A	Professional FFS	\$165.29	\$981.39	\$537.66
B	Shadow Billings	\$81.26		
C	CCM Daily Rate (365 days)	\$120.05	\$110.81	
D	Base Capitation (365 days)	\$571.49		
E	Access Bonus (365 days)	\$61.22		
F	Total Annual Days	250	250	145
G	% After-Hours	14.6%	11.7%	7.9%
H	Adjusted CCM Daily Rate (1-G)*(365/F)*C	\$149.68	\$142.85	\$0.00
I	Adjusted Base Capitation (1-G)*(365/F)*D	\$712.56	\$0.00	\$0.00
J	Adjusted Access Bonus (1-G)*(365/F)*E	\$76.33	\$0.00	\$0.00
K	Gross Daily Income A+B+H+I+J	\$1,185.12	\$1,124.24	\$537.66
	Weights	45.9%	28.9%	25.3%
	GDI for Family Medicine		\$1,004.91	

CANDI By Payment Model: *

FHN/FHO

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,185	0.98	1.03	1.03	0.67	1.00	1.00	\$826	0.91

CCM/FHG

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$1,124	0.98	1.03	1.03	0.67	1.00	1.00	\$783	0.86

FFS

GDI	Per Diem	NFFS	Hours	Overhead	Opportunity Cost	Skills Acquisition	ANDI	CANDI Score
\$538	0.98	1.03	1.03	0.67	1.00	1.00	\$375	0.41

Here we see the results:

- Family Medicine as a whole receives a CANDI score of 0.77
- FHO/FHNs receive a CANDI score of 0.91
- FHG/CCMs receive a CANDI score of 0.86
- Straight Fee-For-Service receives a CANDI score of 0.41