



Understanding the Family Health Organization model



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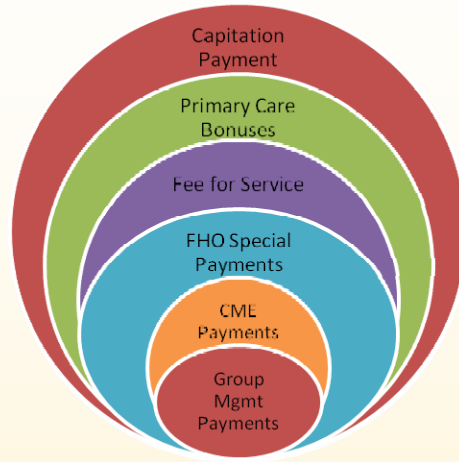
Increased Cash Flow. Increased Revenue. Increased Profitability.



What is a Family Health Organization?

An Alternative Payment Plan – Primary Care Renewal

An FHO or Family Health Organization represents an alternative payment model for Ontario family physicians delivering comprehensive primary care and includes the following revenue streams (Figure 1):



FHO Revenue Streams

- Monthly Capitation Payment (or salary)
- Fee For Service (FFS) component
- Primary Care Premiums and Bonuses
- FHO Special Payments
- Group Management and Leadership Payments
- Continuing Medical Education Funding

Who can establish or join a FHO?

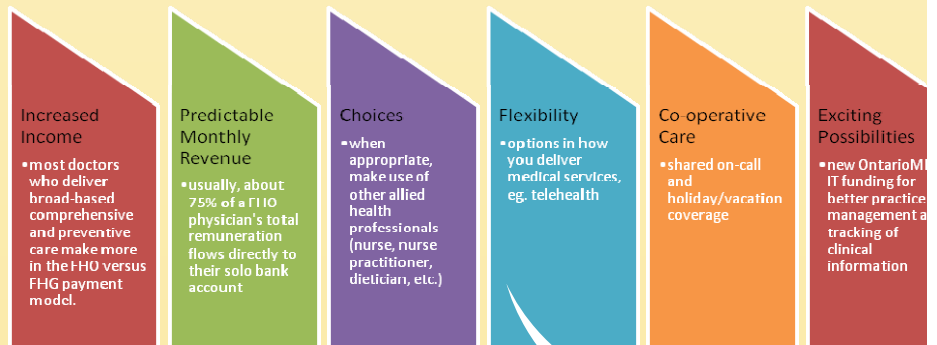
PRINCIPALS and ELEMENTS OF PRIMARY CARE RENEWAL

IMPROVING QUALITY AND CONTINUITY OF PRIMARY HEALTH CARE

The Ministry of Health requires a group of at least 3 family doctors working together providing accessible, coordinated care, to enrolled patients. They may practice within the same location or be separated geographically.

FHOs are groups of physicians who provide comprehensive primary health care services to their patients with a focus on illness prevention. FHOs provide care during regular and extended office hours as well as on-call coverage and patients have access to a nurse staffed Telephone Health Advisory Service.

WHAT ARE THE ADVANTAGES OF THE FHO MODEL



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HOW CAN DRs HELP MY POTENTIAL FHO?

- ✓ Individual Revenue Analysis examination
- ✓ In-Office Physician and Staff Training
- ✓ Condensing and Explaining the Ministry of Health Primary Care Fact Sheets
- ✓ Billing Tips to Maximize Income in the FHO
- ✓ Preventive Care Bonus Maximization
- ✓ Guidance in Software & Electronic Medical Records (EMR)
- ✓ Scheduling for In-Office After Hours Sessions
- ✓ Managing the Scheduling for On-Call to THAS
- ✓ Centralized After Hours Phone Message
- ✓ Group RA Management
- ✓ Managing the Enrolled Patient Roster

WHAT IS MY COST FOR WORKING WITH DRs?

Nothing. Our fees come from the management funds paid to the FHO group by the Ministry of Health. This means no direct cost to you.

WILL THIS DISTURB THE OPERATION OF MY PRACTICE?

Absolutely not. All necessary services to convert to the FHO will be performed by DRs with minimal disturbance to your work flow or practice.

WHAT WILL THE IMPACT OF THIS MODEL BE ON MY PATIENTS?

None. Most Ontario family physicians have already rostered patients and won't have to reduce this process. Your patients will not need to do anything beyond enroll with you if they have not already done so. All previously rostered patients are automatically transferred by the Ministry from the Family Health Group (FHG) to the FHO model.



What Does 'Capitation Payment' Really mean?

Under the capitation payment model the physician receives a regular monthly payment if providing broad-based comprehensive primary care to their rostered patients.

In the Family Health Organization payment model, the capitation payment equates to the Base Rate Payment (BRP). The level of funding depends on the characteristics (adjusted for age and sex) of the patients enrolled in the FHO and is not related to the actual services provided. The BRP ranges from \$55.17 to \$491.02 per patient per year. The BRP is paid monthly to each individual physician in the group and represents approximately 75% of a physician's remuneration.

The BRP compensates the FHO physician for the majority of comprehensive care services delivered to their enrolled patients. The services covered by the BRP are referred to as the FHO Basket of Services and is defined by 119 fee codes and referred to as "included" or "in basket" codes.

What will my compensation in the FHO model look like?

Upon converting to a FHO, your income will be made up of the following:

- ✓ Base Rate Capitation Payment (BRP) for each enrolled patient, adjusted for age and sex
- ✓ A Comprehensive Care Management Payment (CCM) for each enrolled/rostered patient adjusted for age and sex (doctors within the Family Health Group model are already receiving the CCM payment)

The Base Rate Payment plus the Comprehensive Care Management fee provides physicians with a predictable and recurring income despite the number of patient encounters.

Supplementing the BRP and CCM, the following revenue sources will add to a FHO physician's total income:

- ✓ Fee for service payments for services outside of the FHO basket of codes
- ✓ Fee for service payments for all services provided to non-enrolled patients
- ✓ Shadow billing on the 119 Fee for Service codes paid at 10% for enrolled patients
- ✓ Primary care premiums/bonuses and FHO special payments
- ✓ Management payments
- ✓ Potential Access Bonus where applicable



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Who is DRs Healthcare Consulting?

DRs Healthcare Consulting Group has been improving the business of medicine since 1968, by successfully advocating for physicians in both their operational and real estate projects.

The DRs FHO Conversion brings together a trusted blend of experience and talent in developing and operationalizing Ontario's primary care models and the related changes in medical practice management. We will communicate the obligations and benefits of the FHO payment model, help physicians navigate through their decision-making process, and guide groups in implementing the resulting practice modifications. You can trust DRs to ease your transition in a manner that the resources required by you and your staff is significantly reduced and the advantages and gains of the FHO fully achieved.



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