AMERICA'S PHYSICIAN GROUPS

Taking Responsibility for America's Health

December 1, 2023

APG Comments on Total Health Care Expenditures Data Collection

Submitted electronically to: Megan Brubaker OHCA@HCAI.CA.GOV

America's Physician Groups is a national association representing more than 335 physician groups with approximately 170,000 physicians providing care to nearly 90 million patients. APG's motto, 'Taking Responsibility for America's Health,' represents our members' commitment to clinically integrated, coordinated, value-based healthcare in which physician groups are accountable for the costs and quality of patient care. We appreciate the opportunity to comment on this proposed data collection regulation.

Establishing a Level Playing Field for Monitoring the Provider Market: APG had significant concerns during the drafting of the OHCA legislation that the Risk Bearing Organization ("RBO") and Restricted Licensees ("RKK") would not be the sole focus of market cost trend oversight within the physician organization sector, simply because it is easier to pull information on these entities through Department of Managed Health Care databases, while for other types of provider groups, there is no means of systematic data collection. Our concern was heightened again when the proposed OHCA Attribution Addendum was released for comment on October 27th and contained only RBO and RKK organizations. Since that time, we acknowledge statements from OHCA staff that it is not their intention to single out this corner of the physician organization market. We have provided a further list of California medical groups under separate cover to the Office staff. We hope this is helpful to your effort to identify other entities that fit within the 25 or greater physician range but that are neither capitated nor identified as an RBO by the Department of Managed Health Care. As pointed out during the November 30 Advisory Committee meeting, some large physician organizations operate under fee-for-service models within 1206L foundations, which are not classified as RBOs under the enacting statute, SB 260 (Speier 1999).

Potential Need to Further Clarify the Designation of "25 or more Physicians:" Some APG members expressed confusion over the method of identifying whether a physician organization has 25 or more physicians. Some organizations contract with licensed physicians and surgeons on a less than FTE basis. Others have employed models. Medical group models can be organized on shareholder basis, with non-shareholder employed or contracted physicians as well. Another commenter asked whether a group that had 25 physicians for only a short period of time during a full calendar year should be counted. We can only suggest that one method to potentially clarify any ambiguity is to rely on the annual network data files submitted by plans to the DMHC on May 31st each year. Non-RBO Providers contracted under

Knox Keene Health Care Service plans are required to provide updated information on their practices on a semi-annual basis.

Submission of Member Attribution Data under Section 5.4: APG had initially thought that a standardized method of provider attribution would be preferrable to allowing submitters to use their own methodologies. Upon further explanation by OHCA staff at the November 30 Advisory Committee meeting, we now better understand the Office's thinking in gathering this provider network information under each plan's own unique attribution method. We noted comments from one Committee member that indicated it was cumbersome from the provider organization perspective to respond to multiple ACO plan enquiries that were in differing formats.

We do wish to note, however, that the Office's secondary identification tier under Member Attribution, subsection 2, directs submitters to the OHCA Attribution Addendum. Since this addendum only contains global risk and RBO entities at present, it's important to acknowledge that RBOs, by definition, do not participate in fee-for-service based ACO Arrangements. An IPA model that is capitated for HMO business may create a separate clinically integrated network that can be used in an ACO Arrangement, but this is not the RBO entity that is identified under the current Attribution Addendum. The subsection that we refer to is stated as follows:

> *2. Next, attribute remaining members to a total cost of care ACO arrangement that includes an organization listed on the OHCA Attribution Addendum. Report data for these members using the ACO Arrangement attribution method.*

It is very likely that non-capitated, non-RBO physician organizations exist that have less than 1,000 attributed members of the submitter but do have 25 or more physicians. We encourage the Office to seek input from state and national provider databases to identify these organizations, and to create a separate tier for submitters.

Thank you for the opportunity to provide comments on this proposed regulation. We are available for questions at your convenience.

Sincerely,

[redacted]

William Barcellona, Esq, MHA
Executive Vice President for Government Affairs
wbarcellona@apg.org
(916) 606-6763