



Medi-Cal Panel Engagement Capitation Bonus Incentive Guidelines

I. Program Overview

Provider Eligibility

Primary care providers participate at the clinic-level. All clinics are automatically eligible for Capitation Bonuses for Panel Engagement if they meet all of the following criteria:

1. Clinic participates in HPSM primary care partial capitation.
2. Clinic has an active Medi-Cal primary care contract with HPSM for the entire duration of the quarter preceding the capitation bonus determination.
3. Medical group (i.e., health system) has a minimum of 50 HPSM Medi-Cal members collectively assigned to patient panel(s) for the entire duration of the quarter preceding the capitation bonus determination.
4. Clinic has at least 12 months of available encounter data from which to assess a panel engagement rate. Prior to the availability of an associated performance rate, newly contracted clinics receive base capitation only.

Panel Engagement Overview

Access to primary care is a key driver for managing the health of our shared patient population and we want to recognize the work our providers do to engage assigned HPSM members at their clinics. Capitated clinics will be eligible to earn up to an additional 30% of capitation each month based on quarterly panel engagement:

- **30% additional capitation:** Clinic has had at least one eligible encounter with an average 60% or greater of continuously assigned members over a rolling 12-month timeline.
- **15% additional capitation:** Clinic has had at least one eligible encounter with an average 50-59.99% of continuously assigned members over a rolling 12-month timeline.
- **Base capitation only:** Clinic has had at least one eligible encounter with an average 35 - 49.99% of continuously assigned members over a rolling 12-month timeline.

Corrective Action

- **Base capitation only with Corrective Action Plan:** Clinic has had at least one eligible encounter with an average 0–34.99% of continuously assigned members over a rolling 12-month timeline. Clinics with low panel engagement for two consecutive quarters may be placed on a Corrective Action Plan (CAP) and face sanctions including being temporarily placed on mandated Established Patients Only (EPO) status to prevent further member assignment, being temporarily transitioned to a fee-for-service reimbursement structure, or termination from the network.

Eligible primary care encounters that count towards patient engagement

- Claims received from rendering providers at the assigned primary care clinic that fall into any of the following primary care specialty designations – general medicine, internal medicine, family medicine, geriatrics, pediatrics, certified nurse practitioner, and physician assistant;
- Preventive services billed by non-PCP specialty types at assigned clinic - (**99381-99387, 99391-99397, 99401-99429, G0402, G0438, G0439, S0612**);
- Codes for immunization: **99460-90749, G0008-G0010, Q2034-Q2039**;
- Encounters for COVID-19 immunization administered by assigned primary care clinic;
- Telemedicine based on billable definitions and telephone visit codes - (**98966, 98967, 98968, 99441, 99442, 99443**);
- Capitated encounters.

Incentive Determination

HPSM averages engagement performance by quarter to determine eligibility for capitation bonuses. The resulting capitation bonus is applied to member-level capitation rates the following quarter. Clinics have access to view current member assignment and track engagement via HPSM's eReports monthly *Active Engagement Report* and/or the Stellar Health App *Patients* module.

Program Timeline Example

Rate Reported As:	Encounter Date Range:	Capitation Bonuses Applied to Payments:
Q1 2025	December 1, 2023* - November 30, 2024	April 1 - June 30, 2025
Q2 2025	March 1, 2024* - February 28, 2025	July 1 - September 30, 2025
Q3 2025	June 1, 2024* - May 31, 2025	October 1 - December 31, 2025
Q4 2025	September 1, 2024* - August 31, 2025	January 1 - March 31, 2026

*Example 'Encounter Range' start dates reflect the first date a clinic has an active Medi-Cal primary care contract with HPSM AND a minimum of 50 HPSM Medi-Cal members collectively assigned to the clinic and/or medical group (i.e., health system).

II. Terms & Conditions

Participation in HPSM's Capitation Bonuses for Panel Engagement incentive, as well as acceptance of performance bonus payments, does not in any way modify or supersede any terms or conditions of any agreement between HPSM and participating providers. There is no guarantee of future funding or payment under any HPSM performance incentive program. HPSM's program and/or its terms and conditions may be modified or terminated at any time, with or without notice, at HPSM's sole discretion.

In consideration of HPSM's offering of its Capitation Bonuses for Panel Engagement incentive, provider agrees to fully and forever release and discharge HPSM from any and all claims, demands, causes of action, and suits, of any nature, pertaining to or arising from the offering by HPSM of the program.

All cases of suspected fraud or abuse will be investigated thoroughly and reported to the appropriate authorities. HPSM reserves the right to audit medical records to validate services have been completed as billed. If there is evidence of fraud, waste, or abuse, HPSM can recoup payments found to be invalidly billed and the provider could lose privileges to participate in future HPSM incentive programs.

Participating providers must be in good standing with all contract and compliance requirements to receive HPSM incentive payments. If any participating providers are not in good standing, incentive payments will not be made until such time that providers are meeting all contract and compliance requirements.
