

Information about provider compensation

Kaiser Permanente is a health care system that provides and coordinates patient care. It includes Kaiser Foundation Health Plan of the Northwest and Northwest Permanente, P.C., Physicians and Surgeons. Northwest Permanente physicians (hereafter referred to as "Kaiser Permanente physicians" or "our physicians") provide about 98 percent of primary care and more than 80 percent of specialty care for our members.

We use the following arrangements to pay our physicians, other individual health care providers, and community medical groups and facilities for the services they provide to our members.

How we pay our physicians

We pay the Northwest Permanente medical group as a whole based on the number of members we have. Individual physicians employed by the medical group receive a salary and any bonuses determined by the group. (Nonphysician medical staff are typically paid on a salaried or hourly basis.)

In addition to their salaries, physicians may receive incentive payments based on various factors, as determined by the health plan and medical group. These factors might include patient satisfaction, quality of care, and the financial performance of the medical group and health plan. Incentive payments are never based on withholding medically necessary and appropriate care from patients.

How we pay for services from community physicians and groups

We contract with community physicians and physician groups

to provide some care for our members. We pay these physicians and groups by one or more of the following methods:

- **Reimbursement schedules** — Based on the "Resource-Based Relative Value Scale" set by the Centers for Medicare & Medicaid Services (the government agency that oversees Medicare).
- **Fee for service or fee schedules** — Negotiated rates per service. These rates are typically a percentage of the physician's or group's standard rate.
- **Capitation payments** — Calculated on a per-member, per-month basis, regardless of the amount of services provided. Typically, this method is used only with a network or group of providers.

How we pay for services from community facilities

Kaiser Permanente contracts with community facilities, such as hospitals, to provide services to members. Payment to these facilities may be based on one or more of the following arrangements:

- **Diagnostic related group case rates.** Based on diagnostic category and covering all services for each admission, regardless of the cost of services. However, facilities may receive an extra payment when costs for services are extraordinarily high.
- **Per diem.** Based on an agreed amount for each hospital day, regardless of the number of services provided. However, facilities may receive an extra payment when costs for services are extraordinarily high.

- **Hospital outpatient case rates.** Based on a set rate or a maximum allowable rate (for example, the lesser of the case rate or the hospital's standard billing rate). Payment is regardless of the number of services provided during an episode of care.
- **Discounted fee for service.** We pay many contracted facilities a percentage of their standard rate.
- **Capitation payments.** We pay for durable medical equipment and scheduled ambulance services based on our total member count (on a per-member, per-month basis), regardless of the amount of services provided. For nonscheduled ambulance services, we pay according to the locally published 911 medical response rates.

Member Services

If you have questions or need help, call Member Services. We're available by telephone 8 a.m. to 6 p.m., Monday through Friday. You may also sign on to kp.org and send us an email.

All areas 1-800-813-2000
 TTY 711
 Language interpretation services 1-800-324-8010