

Ensuring Appropriate Service for Our Members: The Risks of Underutilization

As the Physicians Integrated Medical Group (PIMG) moves into an expanded portfolio of business that includes Commercial, Medi-Cal and the future MediCare populations' capitation of providers takes a more prominent place within our Medical Group. Capitation and other forms of risk-based compensation may conceivably create certain incentives for groups, practitioners and providers to limit approval of needed care to the members it serves. Conversely, overutilization may indicate inadequate coordination of care, inappropriate use of services and faulty allocation of needed care. To prevent inappropriate decision making, PIMG monitors for under and overutilization, analyzes data to identify the causes, and takes action to correct any instances of potential or actual under or over utilization. To make an assessment of utilization issues, PIMG analyzes data from provider and practice sites, individual product lines and the Group as a whole. PIMG then implements appropriate interventions whenever it identifies potential quality problems affecting its members.

Any member, practitioner or the public can obtain a copy of the utilization review criteria that Physicians Integrated Medical Group uses to arrive to any authorization decisions, including the criteria used to modify, delay or deny services. Please call (415) 467-9808 to request any type of disclosures.

PIMG has aligned its financial composition to encourage appropriate decision on the coverage of care and services. To this effect, **all of** PIMG's utilization management decisions are based **only** on appropriateness of care and service, and existence of coverage. PIMG does **not** specifically reward practitioners, or **any** other individual conducting utilization review for denials of coverage or service, nor for any modification or reduction in services, nor does it encourage barriers to care and service. In other words, financial incentives for UM decision makers do not encourage decisions that result in underutilization of medical services. It is important that all of PIMG's provider sites uphold these principles when assessing any aspect of the patient's care. As a not-for-profit managed care organization, PIMG strives to provide needed quality medical care and to do so with dignity for the members it serves.