CREATING THE STRONGEST POSSIBLE INCENTIVE WITH **PAY FOR PERFORMANCE: MPLICATIONS FOR PAYMENT** STRATEGIES **Aggressive Internal Compensation in Route** to Ol

PAY FOR PERFORMANCE SUMMIT

SAN FRANCISCO, 3/24/11

BARRY BERSHOW, M.D. BERSHOW CONSULTING 952.270.9289 BERSHOW.CONSULTING@GMAIL.COM

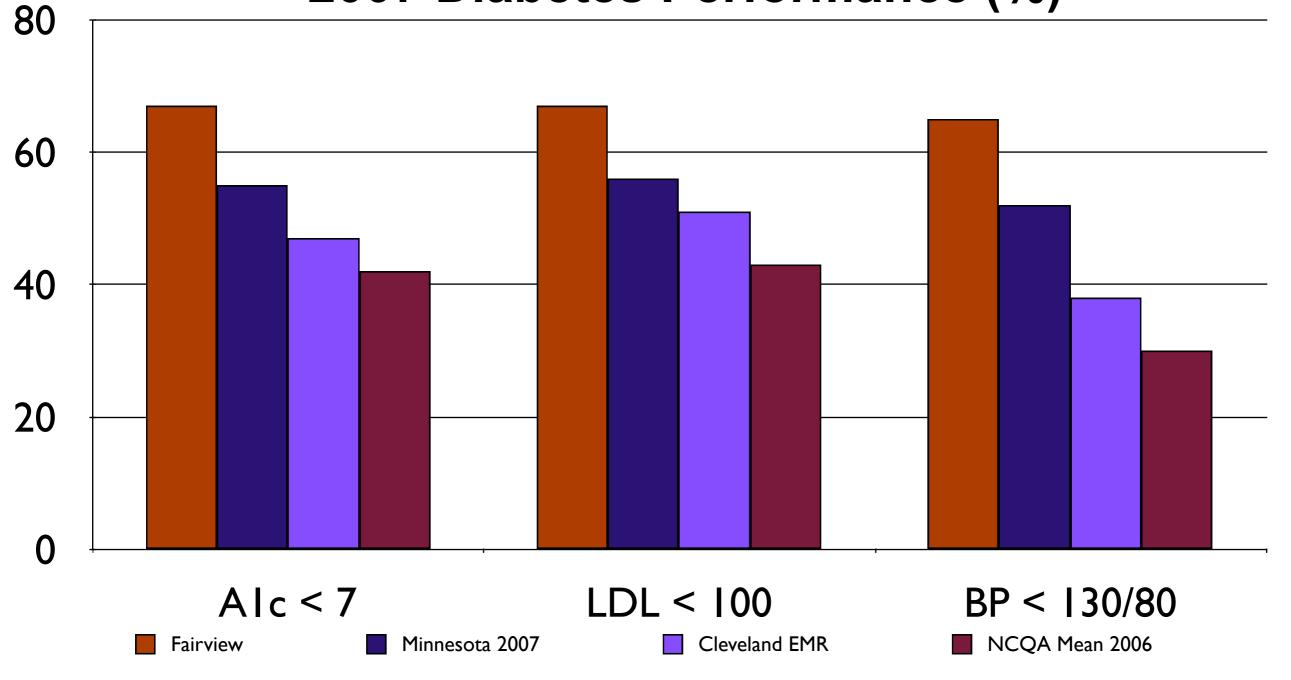
Tuesday, March 1, 2011

Although it makes my wife quite sad.....

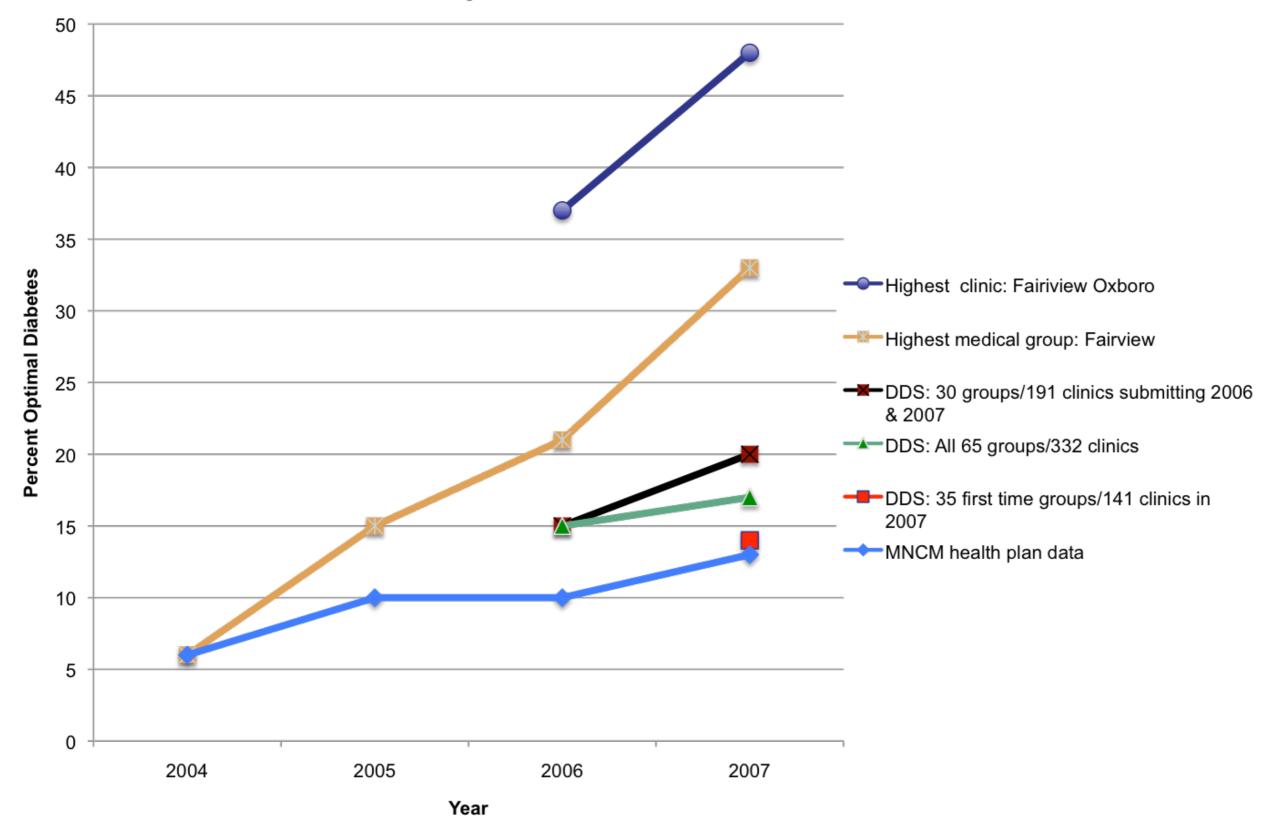
I have no significant financial conflicts to disclose

- Former VP of Quality @ Fairview Health Services
- Board of Directors MNCM (unpaid position)
- Currently with Bershow Consulting, LLC (contracts with Cedars-Sinai, HHS, Quality Quest in Illinois & Stratis [the QIO in MN])

2007 Diabetes Performance (%)



Optimal Diabetes Scores



MN Community Measurement 2007 Health Care Quality Report

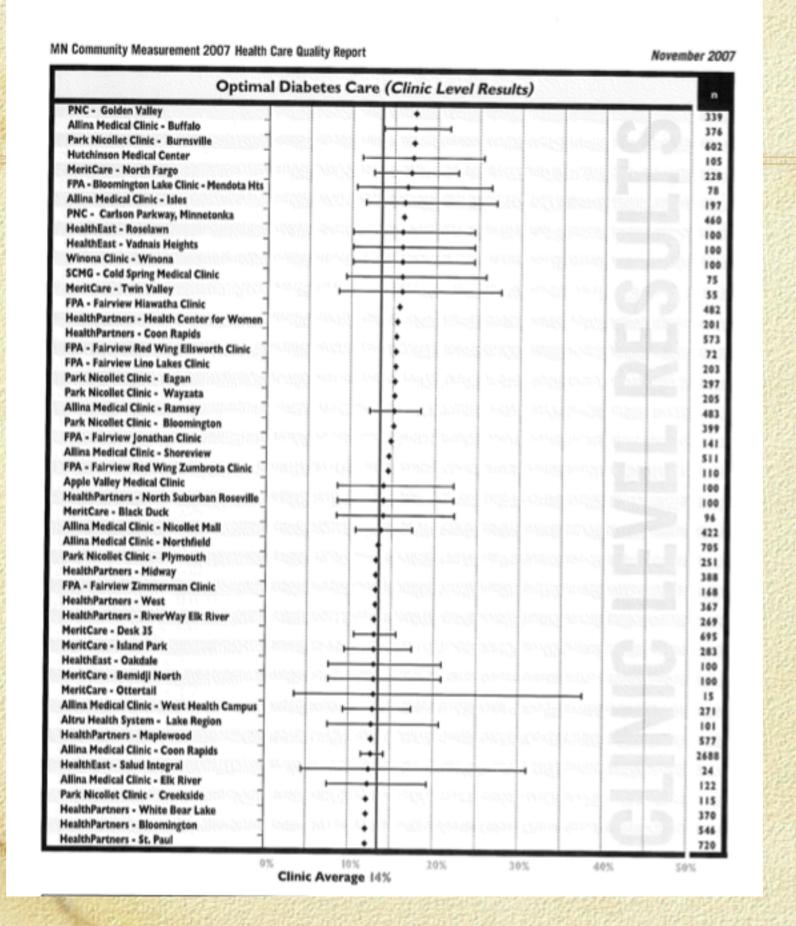
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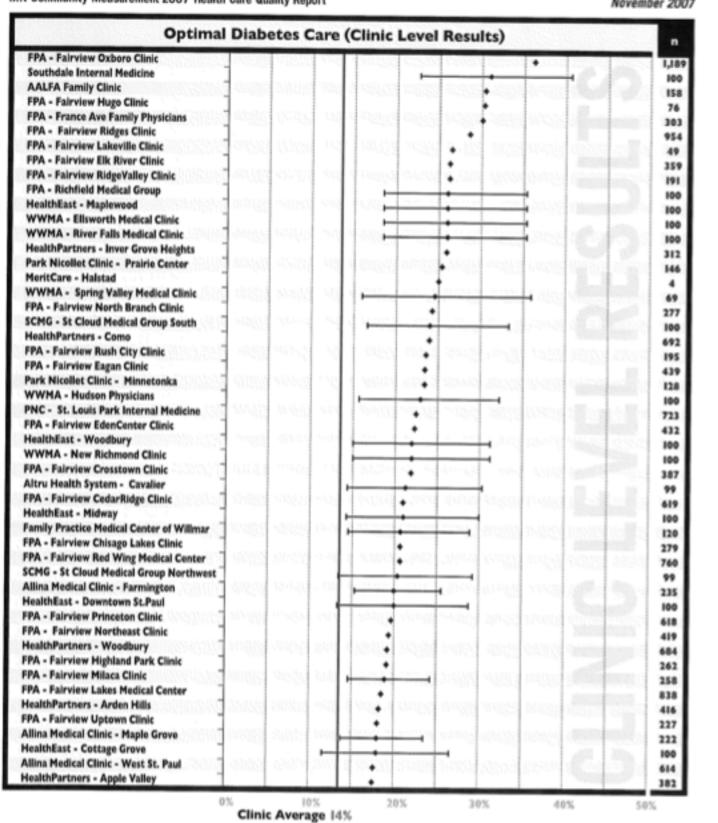
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Optimal Diabetes Care (Clinic Level Results)						2122			
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MN Community Measurement 2007 Health Care Quality Report

November 2007



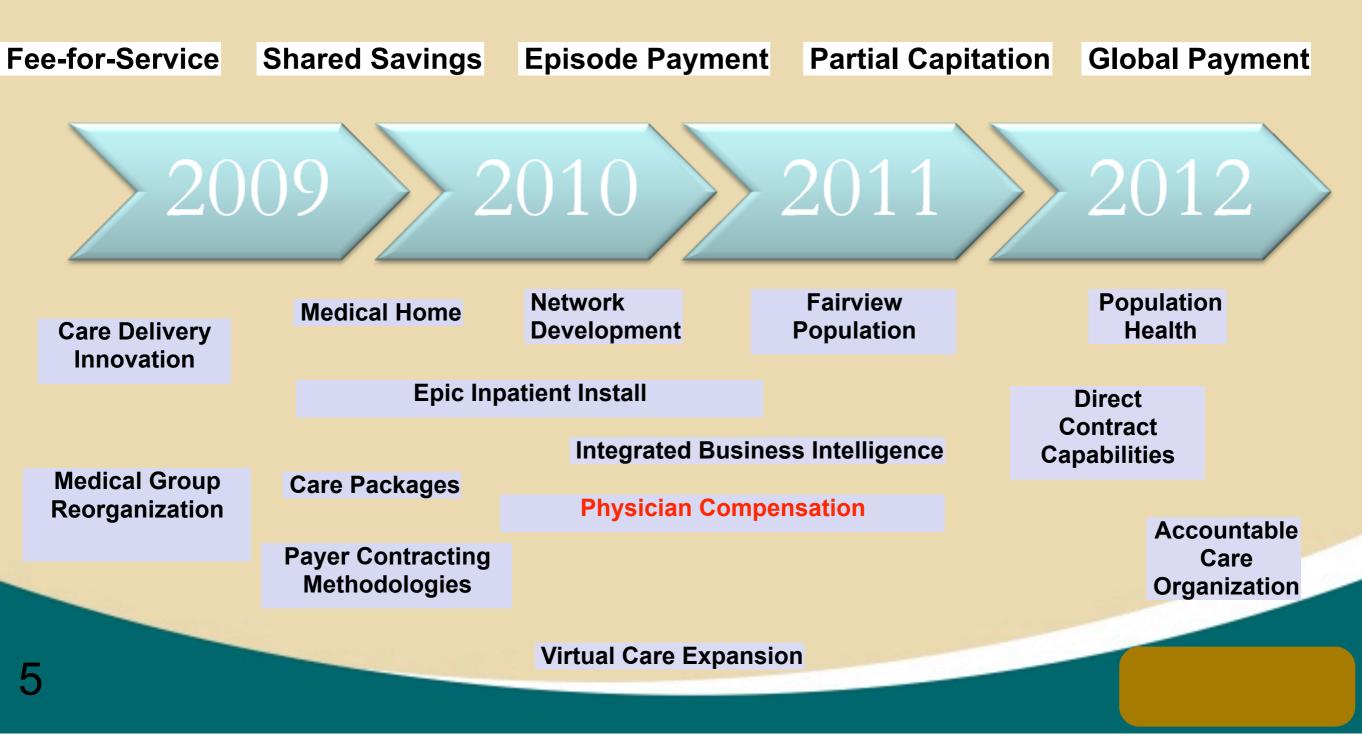


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Timeline -Building Capabilities

Volume

Value



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Care Model Innovation Compensation Model

- The model is designed to assist in delivering greater value by aligning provider incentives to Triple Aim goals of:
 - -Exceptional clinical care
 - -Exceptional patient experience
 - -Decreased cost of care

New Compensation Model

- Primary care provider compensation will be attractive
- Compensation aligned with Fairview strategic goals
- Provide a competitive advantage that is fair for the work primary care does, so....
- Recruitment and retention goals achieved

New Compensation Model

- Compensation model in alignment with care model innovation (CMI)
 - -Care for populations
 - Incorporate innovations such as team based care (CDE's/MTM/C3PO), nurse based HTN clinics, telemedicine, virtual visits, group visits, etc. without penalizing doctors for shifting their way of practicing

CMI Compensation Pilot Assumptions

- A provider performing at median/target on <u>all</u> measures will be compensated market median compensation prorated to FTE.
- ~ 50% upside salary boost is possible
- Whenever possible, external benchmarks will be used.
- Salaries will be recalculated quarterly.
- Specialties involved: Family Medicine, Internal Medicine, Pediatrics, IM/Peds, Nurse Practitioners and Physician Assistants

Rewarding for Outcomes: Elements of CMI Compensation Plan

Performance Measures	Payout Percent	Outcomes based on	Measures based on	Payout Range
Quality	40%	Team	External benchmarks	0% to 150%
Patient Experience	10%	Team	Moving from internal to external	50% to 150%
Cost of Care	10%	Team	Internal benchmarks	50% to 150%
Productivity	40%	Team – 10% Individual - 30%	Internal benchmarks	50% to 150%

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Quality – Weighted Metrics Based on

Team Outcomes at the Clinic/Department Level

FP/IM/MedPeds	Pediatrics
 Ischemic Vascular Disease – 30% 	 Childhood Immunizations – 30%
Diabetes –30%	• Asthma –30%
Cancer Screening – 15%	Chlamydia –25%
 Depression – 15% 	• Otitis Media – 1 st line – 15%
• Asthma – 10%	Fifth measure currently in development-possible ADHD

Additional Metrics

- Patient Experience currently using FPA Survey, but moving to CG-CAHPS in 2011
- Cost of Care
 - –Appropriateness of High-Tech Diagnostic Imaging
 - Follow up within 72 hours of significant health event

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- -More robust metrics as data available
- Productivity
 - -"Clinical Activities"
 - -Panel Size x complexity fudge factor

CMI Compensation Model Implementation

- Four sites have been compensated on the pilot model since 8/10
- Modifications have been implemented in the plan design for both immediate and future implementation based on physician feedback
- Remaining primary care sites will transition to the new model 4/11

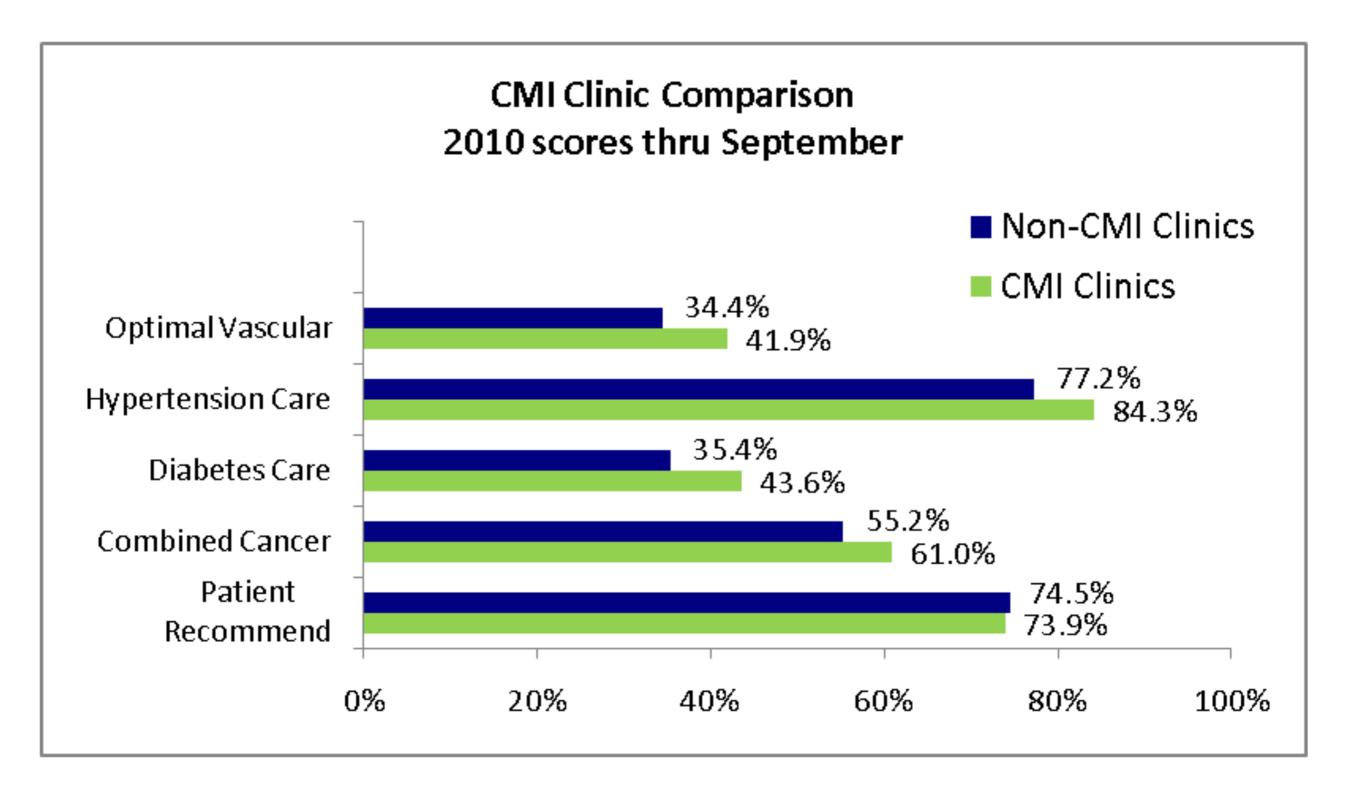
Most Recent Model Revisions

- 1/1/11: Production measure moved from Unique Patients Served to Clinical Activities (CA), measured over a rolling 12 months
- Procedures such as DEXA and EKG reads added to CA measure
- 10/1/11: Will move from FPA patient experience survey to CG-CAHPS
- 1/1/12: Addition of 5th quality measure for Pediatrics
- Timing TBD: depression quality metric will be revised to meet new MNCM definition

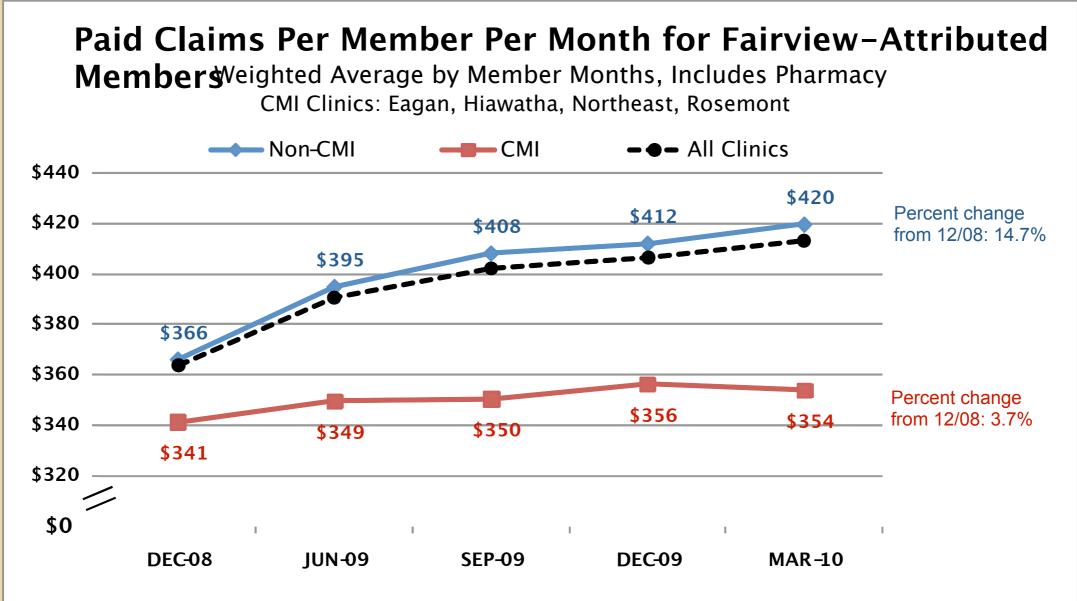
Provider Comp Change Distribution Table (Estimate August 2010)

% Compensation Change from Current	# of providers
-50%+	0
-40% to -49%	0
-30% to -39%	4
-20% to -29%	4
-10% to -19%	20
0% to -9%	32
0% to 9%	41
10% to 19%	39
20% to 29%	21
30% to 39%	13
40% to 49%	7
50% +	9





Demonstrating Outcomes: Bending the Cost Curve



Clinic data excludes selected spantial typerimary care clinics (tessen 2% of the Member Months in the data)



Fairview Medical Group Diabetes Care % of Patients that Received Appropriate Care July 1, 2009 to June 30, 2010

Webset Marcana 7		CO 00/
Highest MN Score	15.00/	60.8%
Oxboro IM	45.0%	
Rosemount	44.9%	
Ridge Valley	41.7%	
Eagan	36.9%	
Crosstown	36.0%	
Bass Lake	34.4%	
Northeast	33.9%	
Maple Grove FP	33.9%	
Zimmerman IM/Peds	32.5%	
Lino Lakes FP	32.4%	
Ridges IM	32.3%	
Hiawatha	31.4%	
Eden Center	30.6%	
Highland Park	29.8%	
Uptown	29.5%	
North Branch FP	28.3%	
Fairview Medical Group	27.7%	
Lakeville	27.5%	
Cedar Ridge	26.4%	
Hugo FP	26.4%	
Rogers	26.3%	
Princeton IM	25.7%	
Chisago Lakes FP	25.7%	
Brooklyn Park IM/Peds	25.4%	
Jonathan	25.3%	
Brooklyn Park FP	24.4%	
Wyoming IM	24.1%	
Elk River FP	23.7%	
Wyoming FP	22.5%	
Zimmerman FP	22.3%	
Rush City FP	22.0%	
Milaca FP	21.7%	
MNCM Median	21.7%	
Columbia Heights FP	20.5%	
Fridley FP	20.4%	
Blaine FP	19.9%	
Blaine IM/Peds	19.6%	
Andover FP	17.9%	
Fridley IM	17.6%	
Princeton FP	16.7%	
Columbia Heights IM IM/Peds	16.7%	
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Fairview Medical Group Clinic Patient Satisfaction--CG CAHPS Would you Recommend - % Top Box Q2 2010 (n = 6,153)

North Branch Clinic	93.6%
Uptown Clinic	93.2%
Rogers Clinic	92.2%
Northeast Clinic	91.1%
Ridge Valley Clinic	91.0%
Eden Center Clinic	90.2%
Bass Lake Clinic	89.7%
Hugo Clinic	89.6%
Rush City Clinic	89.2%
Farmington Clinic	89.1%
Lino Lakes Clinic	89.1%
Milaca Clinic	88.7%
NRC Picker Average	88.6%
Columbia Heights	88.6%
Jonathan Clinic	88.5%
Rosemount	88.3%
Maple Grove Medical Center	87.2%
Princeton Clinic	86.9%
Andover	86.8%
Ridges Clinic	86.1%
Elk River Clinic	85.5%
Lakeville Clinic	84.9%
Riverside Women's Clinic	84.8%
Fridley	84.5%
Cedar Ridge Clinic	83.9%
Blaine	83.7%
Highland Park Clinic	83.6%
Eagan Clinic	83.5%
	AN PETRONAL PROPERTY AND

Total Cost of Care (PMPM) (Adjusted for Severity of Patients) 2009

LAKES WYOMING CLINIC	\$532.62
CROSSTOWN CLINIC	\$520.20
BLAINE CLINIC	\$497.99
CHILDRENS CLINIC	\$491.45
ROSEMOUNT CLINIC	\$478.47
FRIDLEY CLINIC	\$468.93
JONATHAN CLINIC	\$465.76
NORTH BRANCH CLINIC	\$461.31
RIDGES CLINIC	\$456.18
OXBORO CLINIC	\$450.04
MAPLE GROVE MEDICAL CENTER	\$447.89
PRINCETON CLINIC	\$437.37
CEDAR RIDGE CLINIC	\$419.95
All Clinics	\$416.28
HIGHLAND PARK CLINIC	\$415.53
MILACA CLINIC	\$413.13
ELK RIVER CLINIC	\$403.39
LINO LAKES CLINIC	\$400.81
RUSH CITY CLINIC	\$399.60
LAKEVILLE CLINIC	\$398.20
FARMINGTON CLINIC	\$397.28
RIVERSIDE WOMENS CLINIC	\$384.01
ANDOVER CLINIC	\$380.58
BROOKLYN PARK CLINIC	\$367.81
ZIMMERMAN CLINIC	\$364.80
EAGAN CLINIC	\$363.91
HUGO CLINIC	\$362.29
HIAWATHA CLINIC	\$350.76
COLUMBIA HEIGHTS CLINIC	\$350.00
BASS LAKE CLINIC	\$347.32
PLYMOUTH CLINIC	\$345.52
NORTHEAST CLINIC	\$342.77
EDEN CENTER CLINIC	\$338.98
LAKES CHISAGO LAKES CLINIC	\$328.25
ROGERS CLINIC	\$320.01
UPTOWN CLINIC	\$315.13
RIDGEVALLEY CLINIC	\$305.24
EDEN CENTER CLINIC LAKES CHISAGO LAKES CLINIC ROGERS CLINIC UPTOWN CLINIC	\$338.98 \$328.25 \$320.01 \$315.13

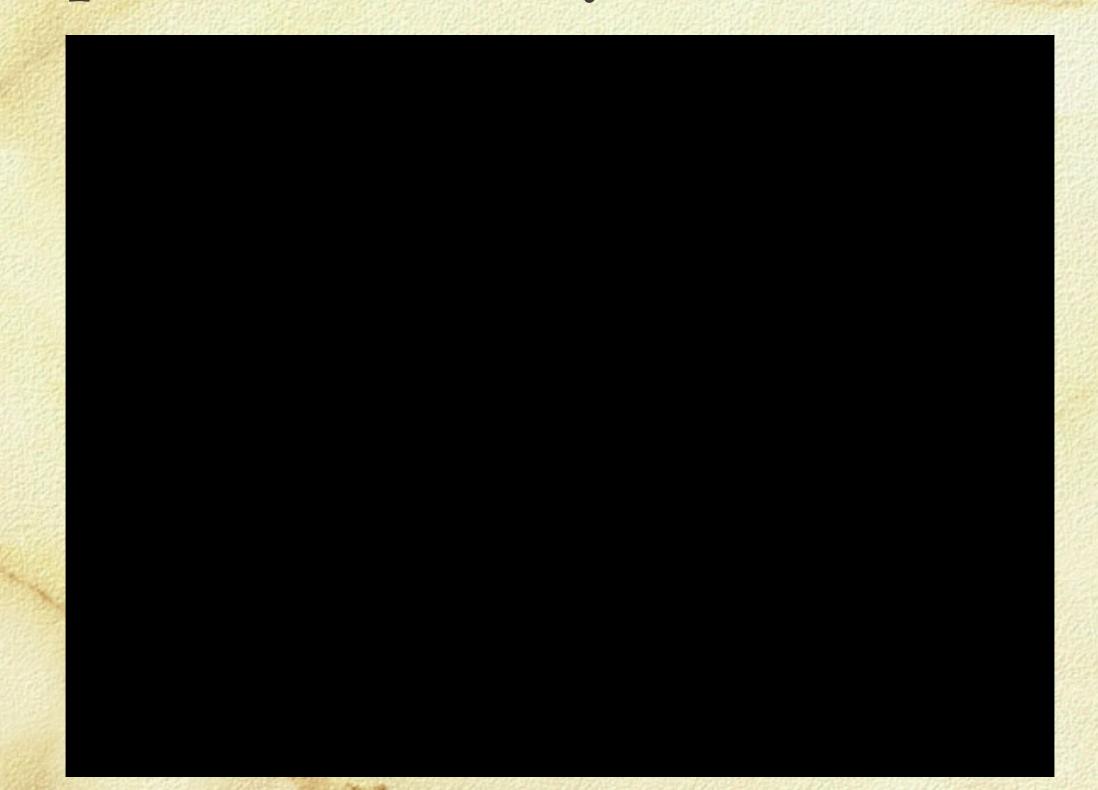
Will this be good, bad or ugly? How will this all work out?



In leaving you, my advice is:

- Aim high & you will wind up in high places
- Aim low and you'll be disappointed even if you hit your goals
- Those who say it can't be done should get out of the way of those who are already doing it!

How to identify and prevent whiney doctors:



THANKYOU! QUESTIONS?

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Please call or write if questions