

# Medicare Physician Group Practice Demonstration

Disease Management Colloquium  
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# Why Medicare P4P?

- Rising Costs Driving Focus to Quality & Value
- Private Sector Initiatives
- Public Sector Interest
  - Administration & Congress
  - IOM, MedPAC
- Significant Opportunities for Providing the Right Care at the Right Time in the Right Place
  - Chasm Crossing
- Medicare P4P Initiatives Growing



# PGP Overview

- Section 412 of BIPA 2000 (P.L. 106-554)
- Medicare FFS Payments + Performance Payments
- Performance Payments Derived from Practice Efficiency & Enhanced Patient Management
  - Payments Linked to Financial & Quality Performance
  - Quality Assessed Using 32 Ambulatory Care Measures
- 10 Physician Groups Representing 5,000 Physicians & Over 200,000 Medicare FFS Beneficiaries
- Started April 1, 2005

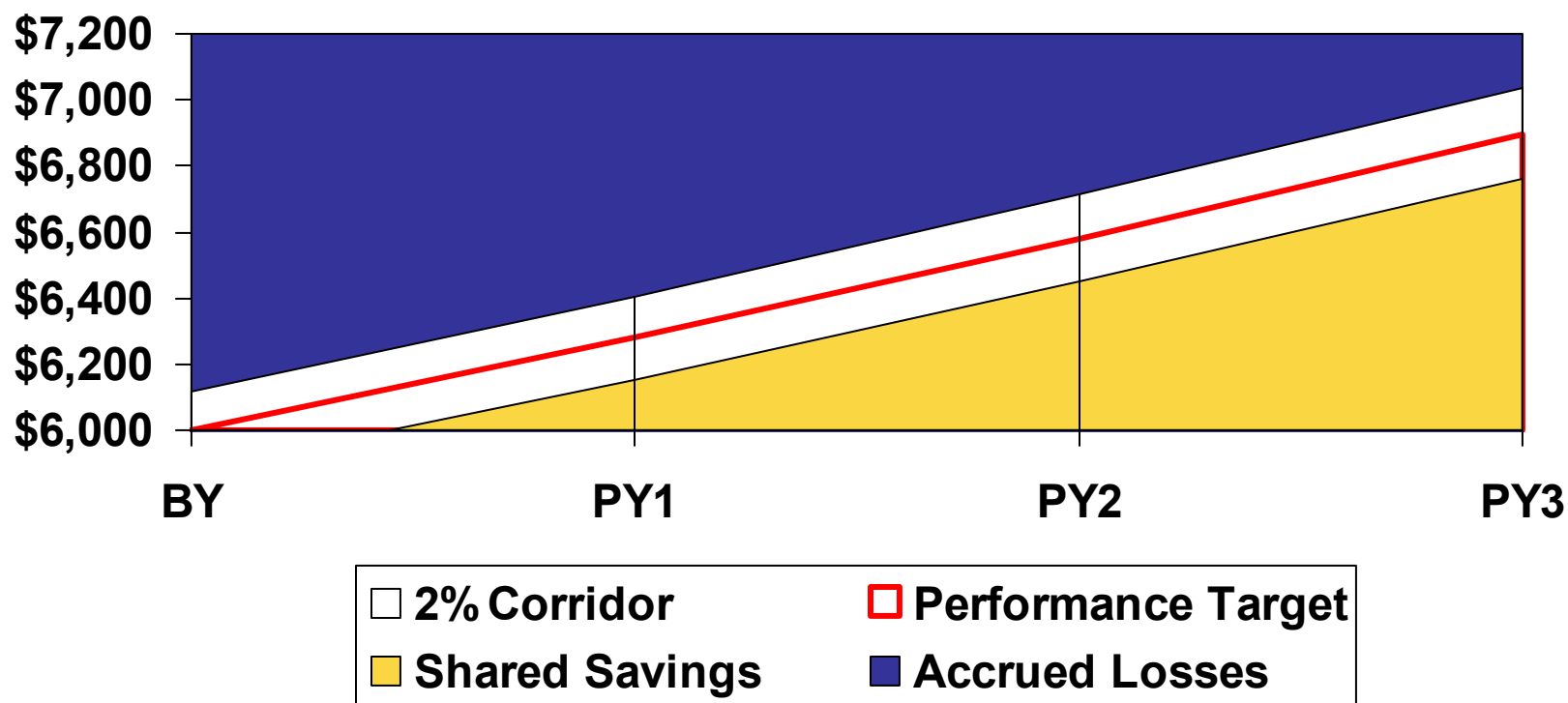
# PGP Goals

- Encourage Coordination of Medicare Part A & Part B Services
- Reward Physicians for Improving Health Outcomes
- Promote Efficiency Through Investment in Administrative Structure & Process

# Performance Payment Methodology

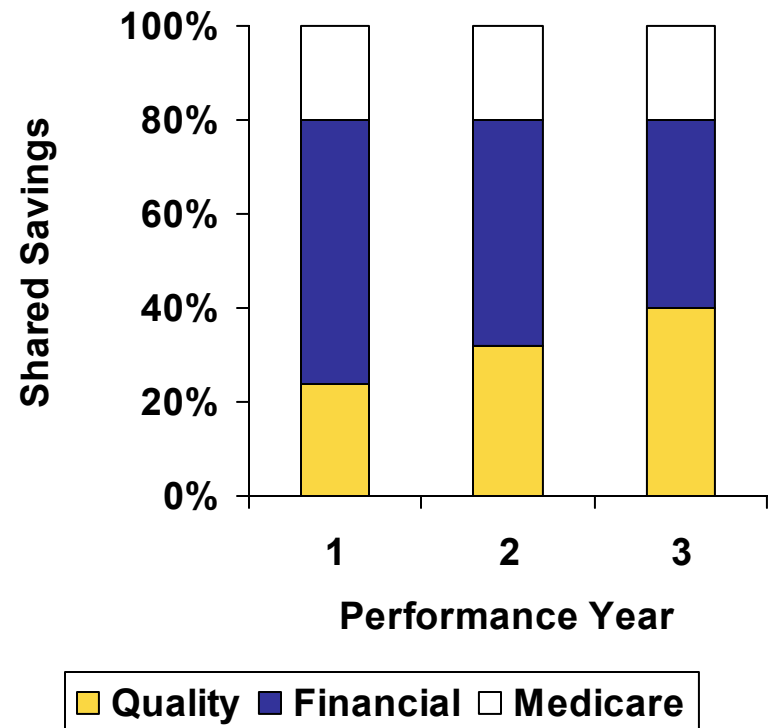
- Medicare FFS + Performance Payment
  - No Insurance Risk
  - PGPs @ Business Risk
- PGP Specific Annual Performance Target
  - PGP Base Year Assigned Beneficiary Medicare FFS Spending Trended Forward by the Local Market Medicare FFS Growth Rate
  - Medicare Part A & Part B Expenditures + Part D
- Performance Payments Earned If...
  - Assigned Beneficiary Medicare FFS Spending is **LESS THAN** Annual Performance Target
  - 2% Savings Threshold Must Be Exceeded

# Calculating Savings & Losses



# Medicare Shares Savings

- Medicare Retains 20% of Savings
- Groups May Earn up to 80% of Savings
  - Performance Payments Earned for Efficiency & Quality
  - Increasing Percentage of Performance Payments Linked to Quality
- Maximum Annual Performance Payment Capped at 5% of Medicare Part A & Part B Target



# Quality Measurement

- Consensus Measures
  - CMS Doctors Office Quality Measures
    - Developed with AMA & NCQA
  - Currently Under NQF Review
- 32 Ambulatory Quality Measures Phased In
  - Year 1: Diabetes
  - Year 2: Year 1 + CHF & CAD
  - Year 3: Year 2 + Hypertension & Cancer Screening
- Claims & Clinical Record Measures
  - Electronic Reporting Tool



# Process & Outcome Measures

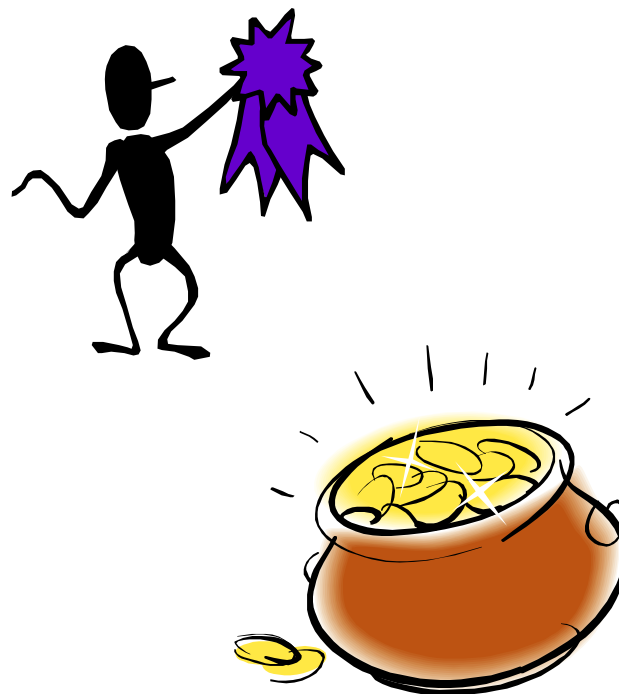
Diabetes Mellitus	Congestive Heart Failure	Coronary Artery Disease	Hypertension & Cancer Screening
<i>HbA1c Management</i>	LVEF Assessment	Antiplatelet Therapy	Blood Pressure Screening
HbA1c Control	<i>LVEF Testing</i>	Drug Therapy for Lowering LDL Cholesterol	Blood Pressure Control
Blood Pressure Management	Weight Measurement	Blood Pressure	Blood Pressure Plan of Care
<i>Lipid Measurement</i>	Blood Pressure Screening	<i>Lipid Profile</i>	<i>Breast Cancer Screening</i>
LDL Cholesterol Level	Patient Education	LDL Cholesterol Level	Colorectal Cancer Screening
<i>Urine Protein Testing</i>	Beta-Blocker Therapy	Ace Inhibitor Therapy	
<i>Eye Exam</i>	Ace Inhibitor Therapy		
Foot Exam	Warfarin Therapy		
Influenza Vaccination	Influenza Vaccination		
Pneumonia Vaccination	Pneumonia Vaccination		

# Performance Thresholds

- Reward Quality Improvement & High Quality
  - Higher of 75% Compliance or the Medicare HEDIS Mean **OR**
  - Demonstrate 10% Reduction in Gap Between Administrative Baseline and 100% Compliance **OR**
  - 70<sup>th</sup> Percentile Medicare HEDIS Level
- Quality Payment Based on Total Points Earned
  - Points Earned for Satisfying Individual Measures

# Rewarding Quality

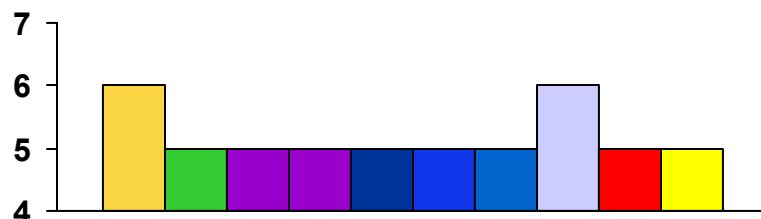
- Physician Buy-In
- Quality Measurement Consensus Agreement
- Consensus Measures
- Claims & Clinical Records
- Achievable Benchmarks for Performance Thresholds
- Administrative Burden Reduced
  - Claims Data
  - Sampling
- Measurement & Reporting Specifications
- Audit & Verification



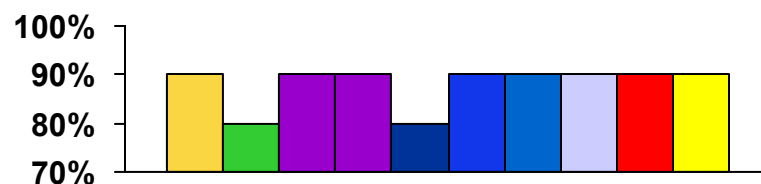
# Measuring Financial Performance

- Assigning Beneficiaries
  - Retrospective Assignment
  - Plurality of Outpatient E&Ms
  - No Lock-In, No Enrollment
- Claims & Processing Lags
- Comparison Group
- 3 Year Performance Period
  - No Annual Rebasing
- Concurrent Risk Adjustment
- Budget Neutrality
- Transparency

Outpatient E&M Visit Mean



Outpatient E&M Allowed Charges  
Mean Proportion



# Beneficiary Protections

- Rewards Clinical Decision-Makers for High Quality Care
- Non-Enrollment Model, No Lock-In
  - No Benefit Changes
  - Beneficiaries Continue to See Any FFS Provider
- Beneficiary Notification
- Groups Selected Based on Leadership Commitment, QA/QI Programs & Care Management Plans
- Ambulatory Care Quality Measures
- Independent Evaluation
  - Reports to Congress

# Participating PGPs

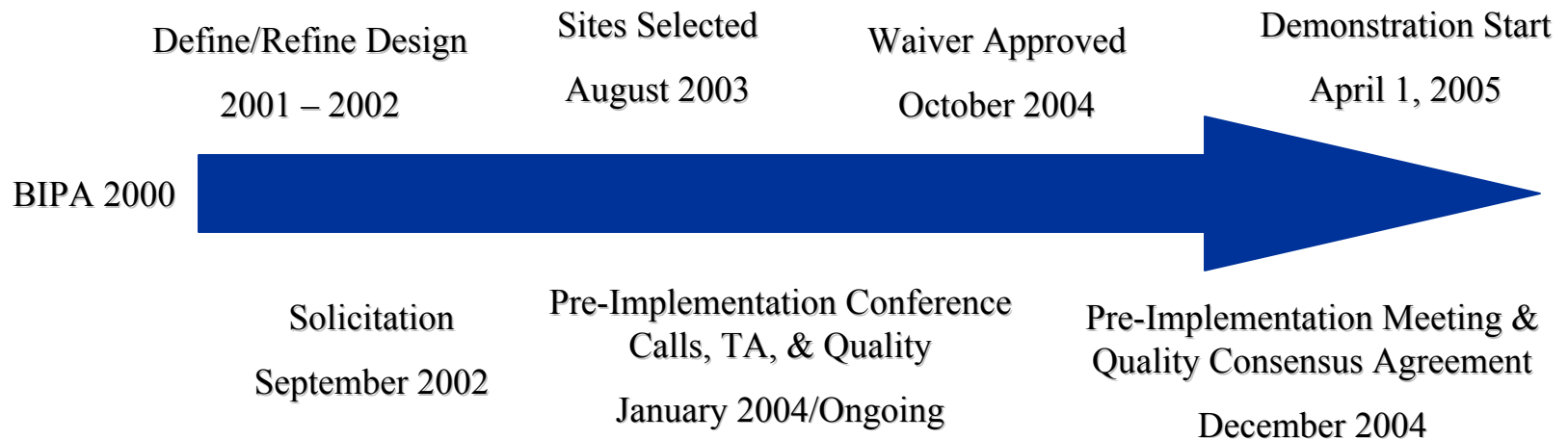
**10 Physician Groups Represent 5,000 Physicians  
& Over 200,000 Medicare Fee-For-Service Beneficiaries**

- Dartmouth-Hitchcock Clinic
  - Bedford, New Hampshire
- Deaconess Billings Clinic
  - Billings, Montana
- The Everett Clinic
  - Everett, Washington
- Geisinger Health System
  - Danville, Pennsylvania
- Middlesex Health System
  - Middletown, Connecticut
- Marshfield Clinic
  - Marshfield, Wisconsin
- Forsyth Medical Group
  - Winston-Salem, North Carolina
- Park Nicollet Health Services
  - St. Louis Park, Minnesota
- St. John's Health System
  - Springfield, Missouri
- University of Michigan Faculty Group Practice
  - Ann Arbor, Michigan

# Care Management Strategies

- Managed Care Infrastructure & Processes Expanded to Medicare FFS Population
- Care Coordination
  - Disease Management & Case Management
- Access Enhancements
  - Nurse Call Lines, Primary Care Physicians, Geriatricians
- Increased Use of Health Information Technology
  - CPOE, Disease Registries, EMRs, Web Based Medical Records
- Increased Evidence Based Guideline Compliance

# Status & Resources



Medicare Physician Group Practice Demonstration





# Implications

- Medicare Pay for Performance
  - Lessons Learned
- RBRVS Recognition of Efficient Group Practices
- Chronic Care Case Management Fee
- Applicability to Small Groups Practices?
  - Medicare Care Management Performance Demonstration
- Quality Reporting Infrastructure
  - Measures Acceptable to Physicians
- Data Sharing Infrastructure
  - Assigned Beneficiary & Comparison Group Profiles

# Additional Information

- PGP Web Page
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