

Moving Forward:

A Case Study of Pennsylvania's Medicaid Pay for Performance Programs

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Overview



» Overview of the Pennsylvania Medical Assistance Program



» Pennsylvania's Pay for Performance Programs

- › HealthChoices Medicaid Managed Care
- › ACCESS Plus Enhanced Primary Care Case Management
- › Hospitals



» Lessons Learned

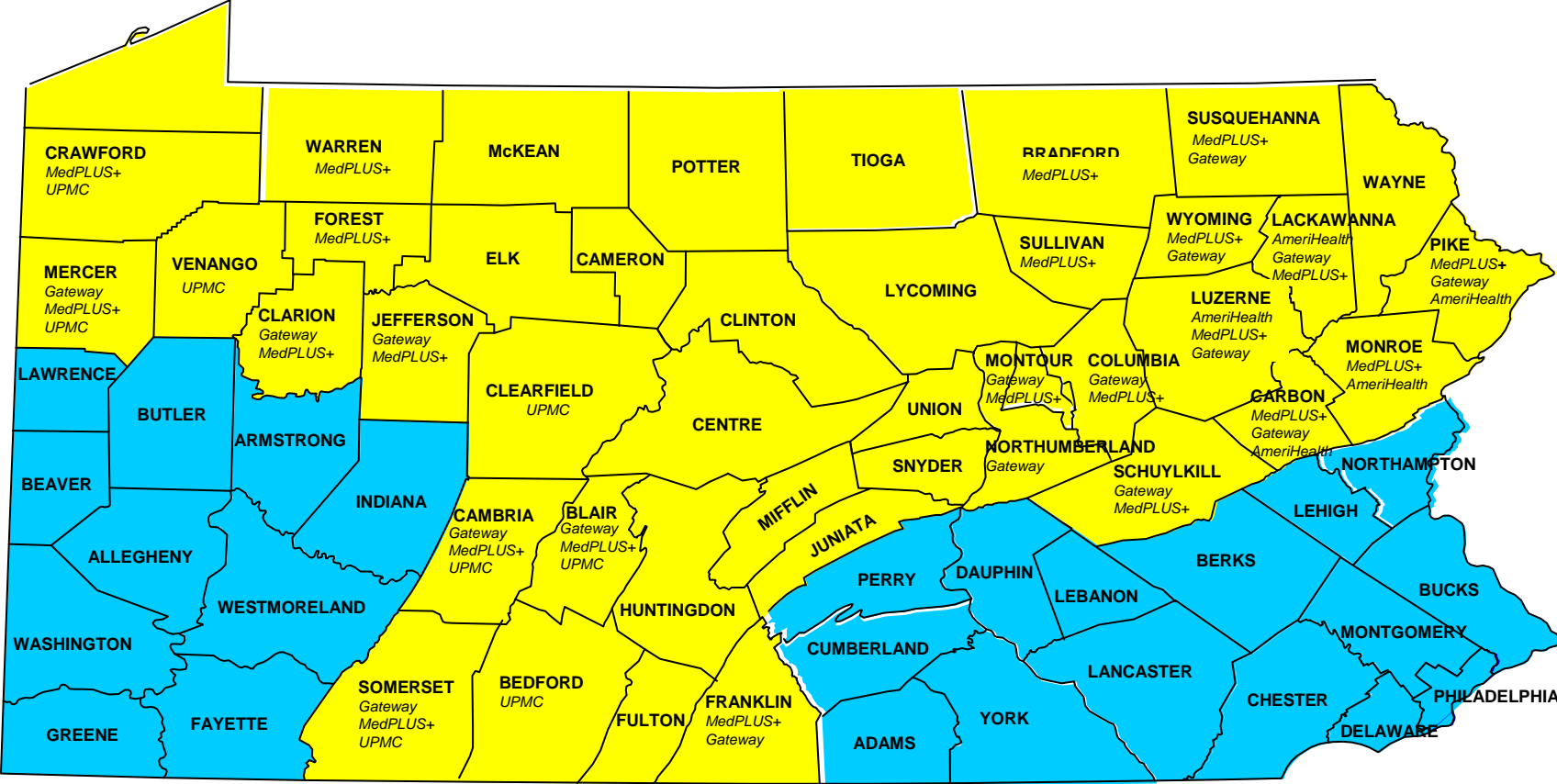


Overview of the Pennsylvania Medical Assistance Program

Pennsylvania Medical Assistance (MA)

- » Provides health care coverage to 1.9 million consumers (14% of the Commonwealth's population)
- » Operates a capitated managed care program, **HealthChoices**[®], in 25 urban and suburban counties for 1.1 million consumers
- » Operates an Enhanced Primary Care Case Management (EPCCM) fee-for-service (FFS) program, **ACCESS Plus**, in 42 rural counties for 300,000 consumers
- » Operates a traditional FFS program for selected populations throughout the Commonwealth

Program Service Area



HealthChoices Mandatory Managed Care



ACCESS Plus and Voluntary Managed Care (where available)

Department of Public Welfare Goals

- » To improve access to primary care and provide a medical home for children and adults
- » To improve access to health care services for MA recipients
- » To improve the quality of health care available to MA recipients
- » To provide access to care management
- » To stabilize Pennsylvania's MA spending
- » To support the principles and strategies of the Prescription for Pennsylvania (Rx for PA) initiative

Pennsylvania uses pay for performance to continually improve health care quality and access for MA recipients.



Pennsylvania Pay for Performance Programs: *HealthChoices*

HealthChoices

- » DPW implemented HealthChoices in 1997
- » Seven Managed Care Organizations (MCOs) serving 25 counties
- » Two pay for performance programs:
 - › *MCO Pay for Performance*: Maximum incentive payment equivalent to 2.5% of MCO annual per member per month (PMPM) revenues
 - › *Provider Pay for Performance*: \$1.00 PMPM pass-through to MCO HealthChoices providers

HealthChoices: MCO Pay for Performance

- » *Years 1 through 3:* Based on HEDIS® and Pennsylvania-Specific Blood-Lead Screening Performance Measures
- » *Year 4:* Added two “qualitative” components and incorporated “offsets” for poor HEDIS® performance
 - › NCQA Accreditation
 - › DPW Certification

HealthChoices: MCO Pay for Performance

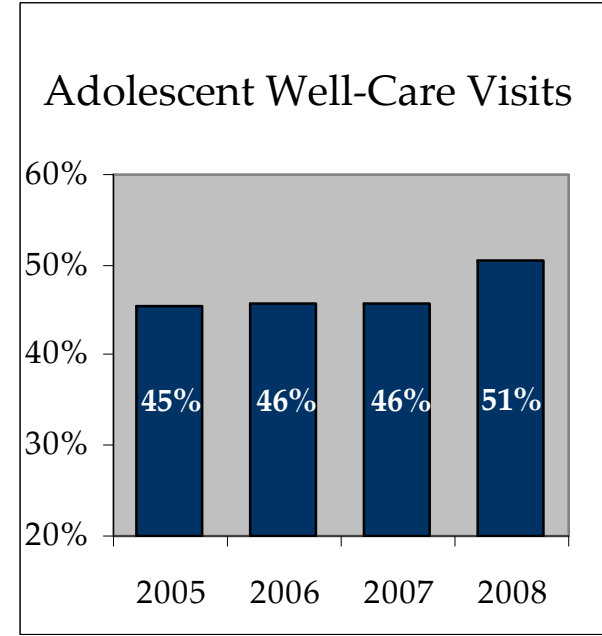
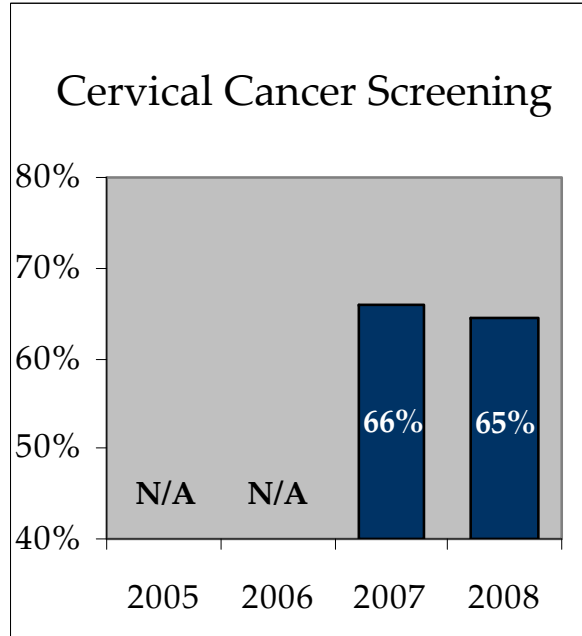
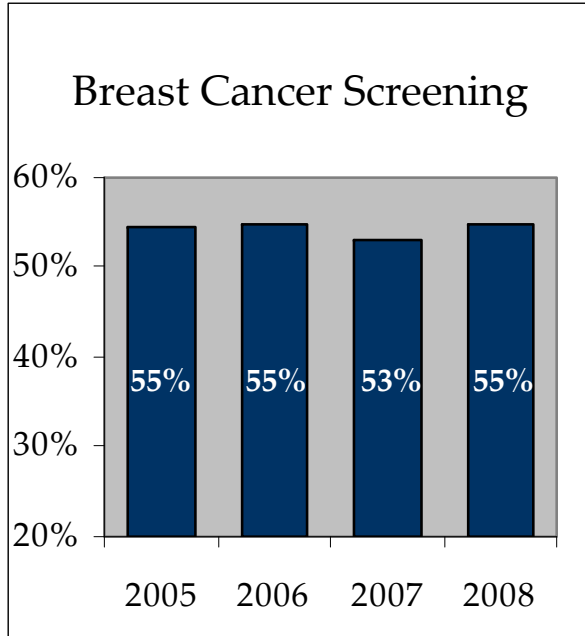
Quality Performance Measures

» *Quality Performance Measures:* Incentive payment for meeting NCQA HEDIS® benchmarks in 12 HEDIS® 2009 measures and/or improvement from previous year performance:

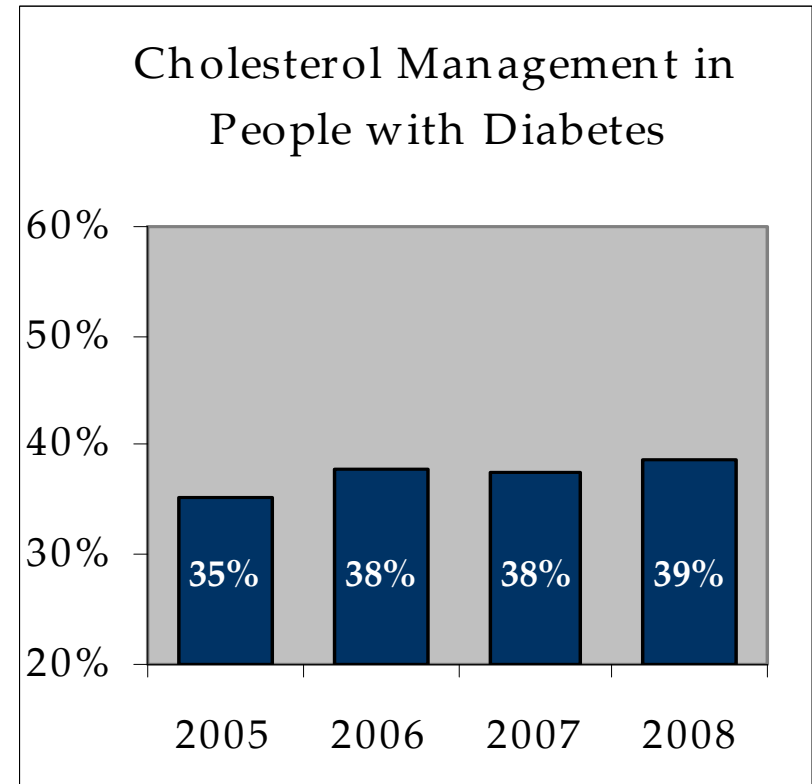
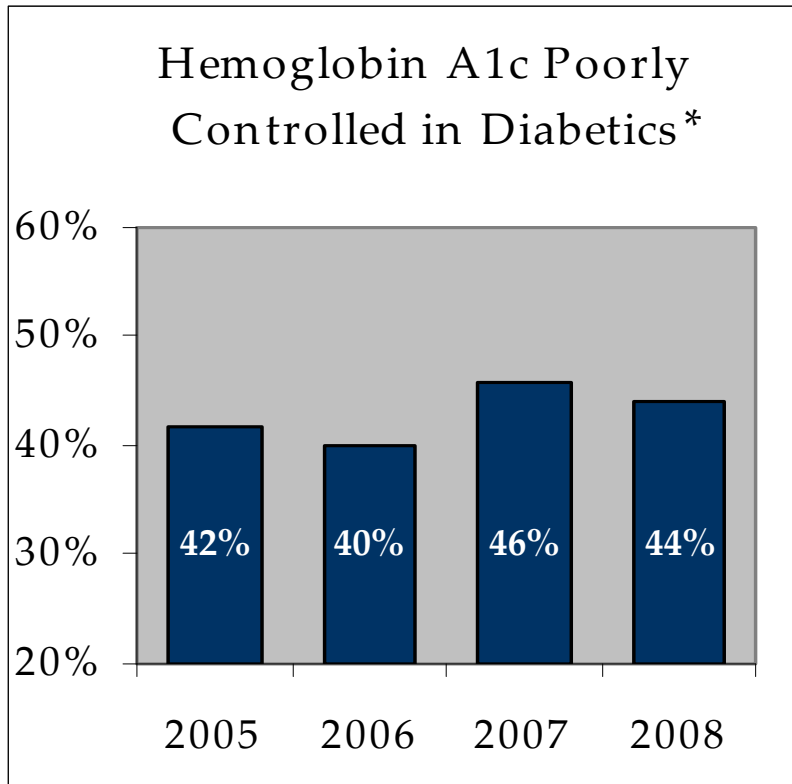
1. Controlling High Blood Pressure
2. Comprehensive Diabetes Care: HbA1c Poorly Controlled
3. Comprehensive Diabetes Care: LDL Control <100
4. Cholesterol Management for Patients with Cardiovascular Conditions: LDL Control <100
5. Frequency of Ongoing Prenatal Care: >81 Percent of the Expected Number of Prenatal Care Visits
6. Breast Cancer Screening
7. Cervical Cancer Screening
8. Prenatal Care in the First Trimester
9. Use of Appropriate Medications for People with Asthma
10. Adolescent Well-Care Visits
11. Lead Screening in Children (*1st Year Measure*)
12. Emergency Room Utilization

HealthChoices: MCO Pay for Performance

Results: Preventive Care



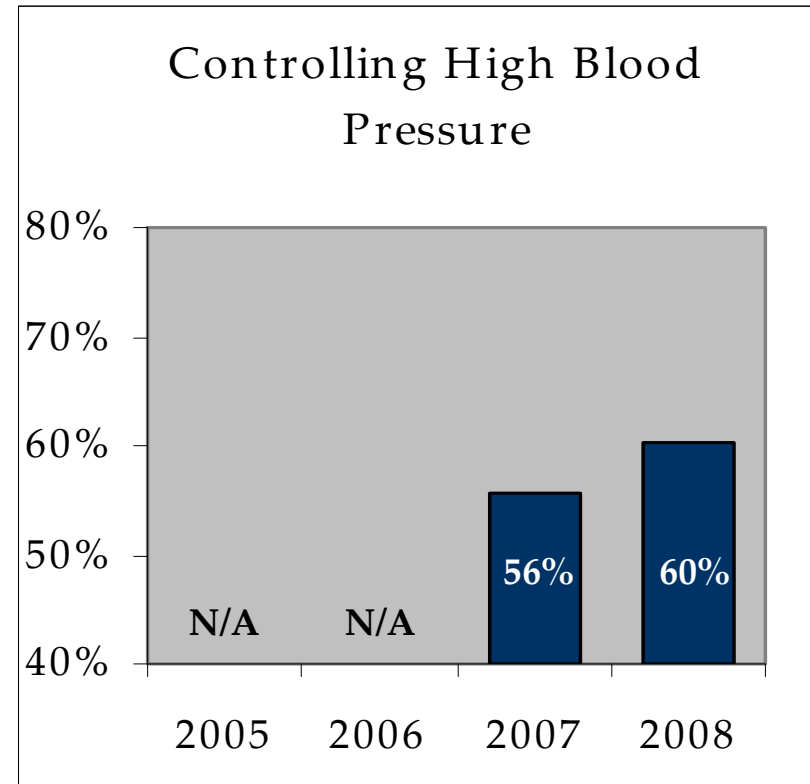
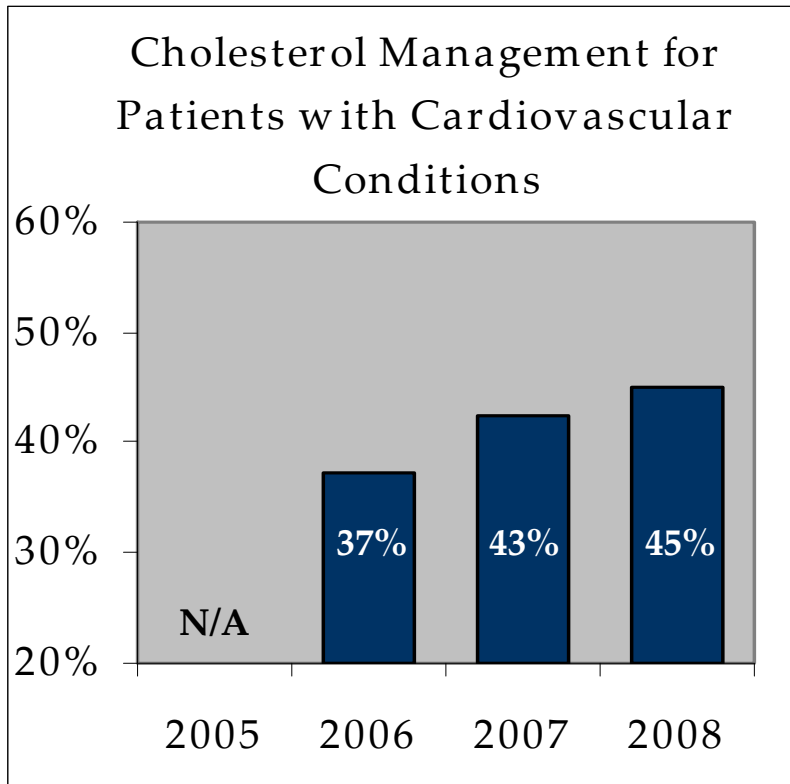
HealthChoices: MCO Pay for Performance Results: Diabetes



* *Low rate measure*

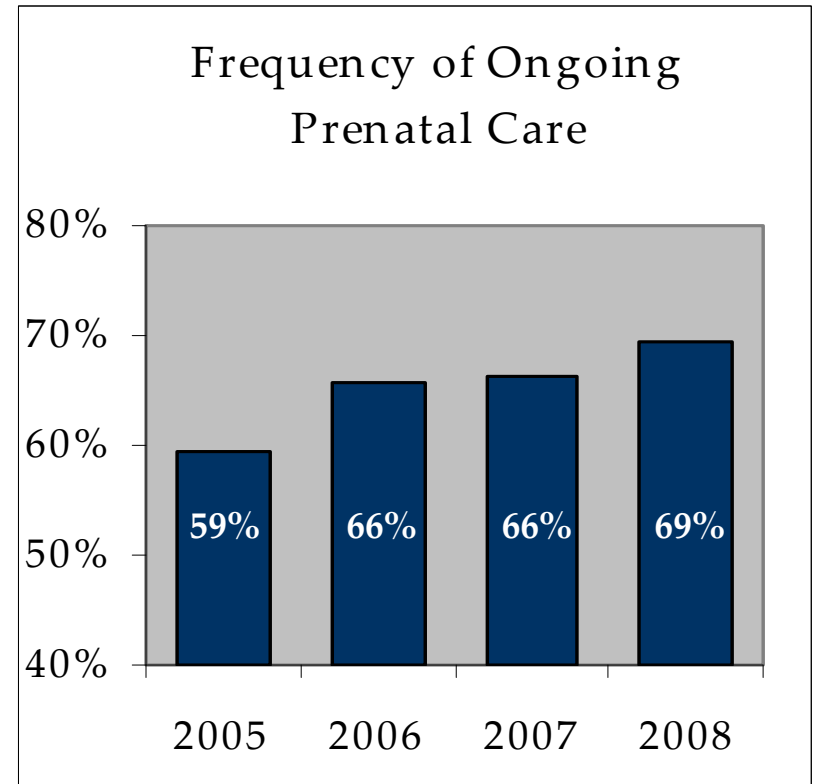
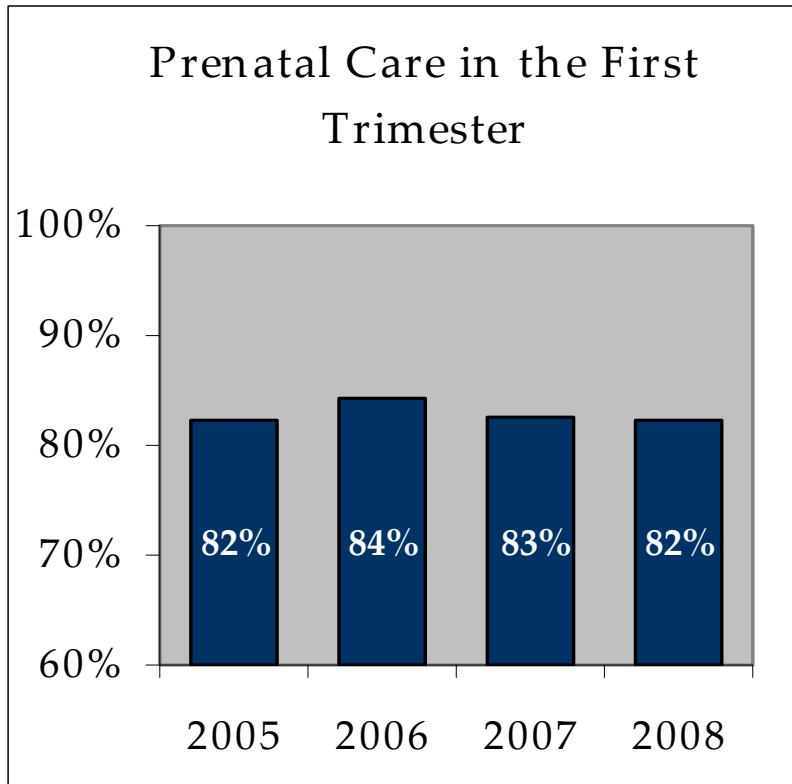
HealthChoices: MCO Pay for Performance

Results: Cardiovascular



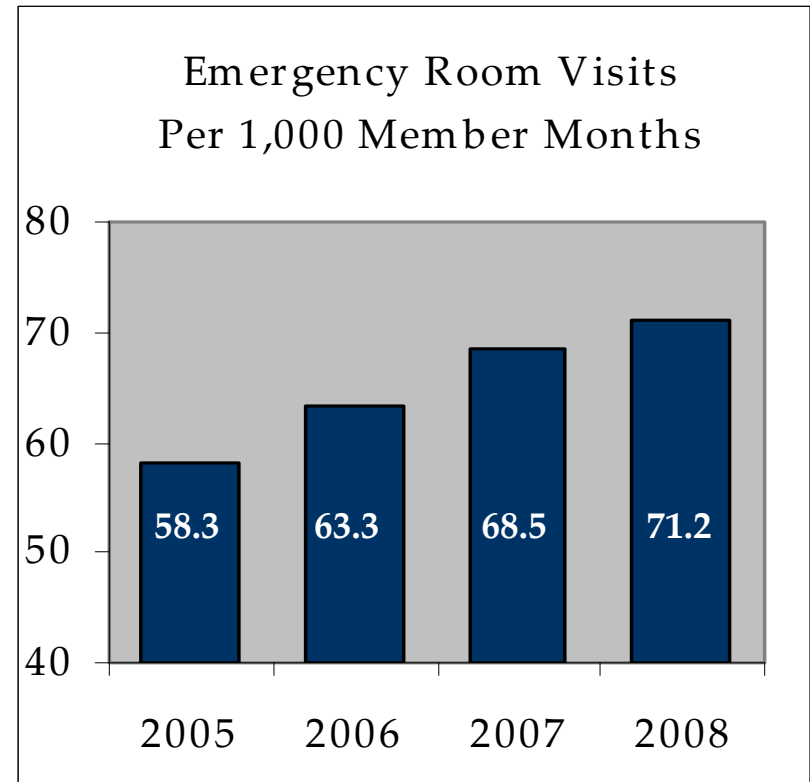
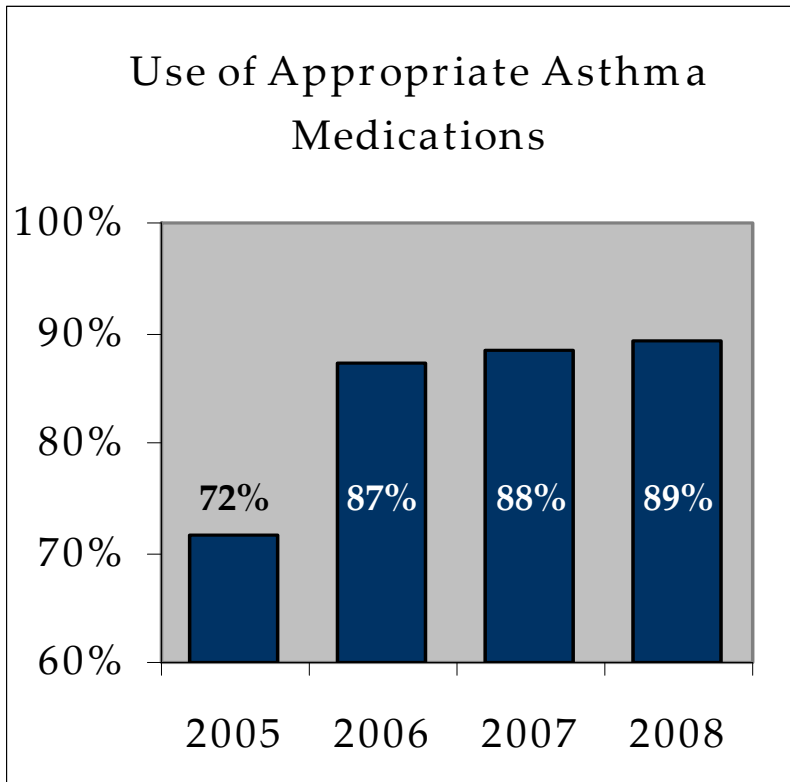
HealthChoices: MCO Pay for Performance

Results: Prenatal Care



HealthChoices: MCO Pay for Performance

Results: Asthma and ER Utilization



HealthChoices: MCO Pay for Performance

Additional Results

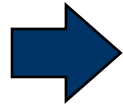
- » Statistically Significant Improvement in 5 of 11* Measures (2007 to 2008)
 - › Controlling High Blood Pressure
 - › Frequency of Ongoing Prenatal Care
 - › Breast Cancer Screening
 - › Use of Appropriate Medications for People with Asthma
 - › Adolescent Well-Care Visits

** Does not Lead Screening in Children (1st Year Measure)*

HealthChoices: MCO Pay for Performance

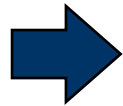
Additional Results: High Performing MCO

**≥ 50th Percentile
Benchmark**



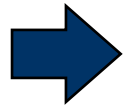
1. Breast Cancer Screening
2. Use of Appropriate Medications for People with Asthma

**≥ 75th Percentile
Benchmark**



1. Controlling High Blood Pressure
2. Comprehensive Diabetes Care: HbA1c Poorly Controlled
3. Comprehensive Diabetes Care: LDL Control <100
4. Cholesterol Management for Patients with Cardiovascular Conditions: LDL-C Control <100
5. Adolescent Well-Care Visits

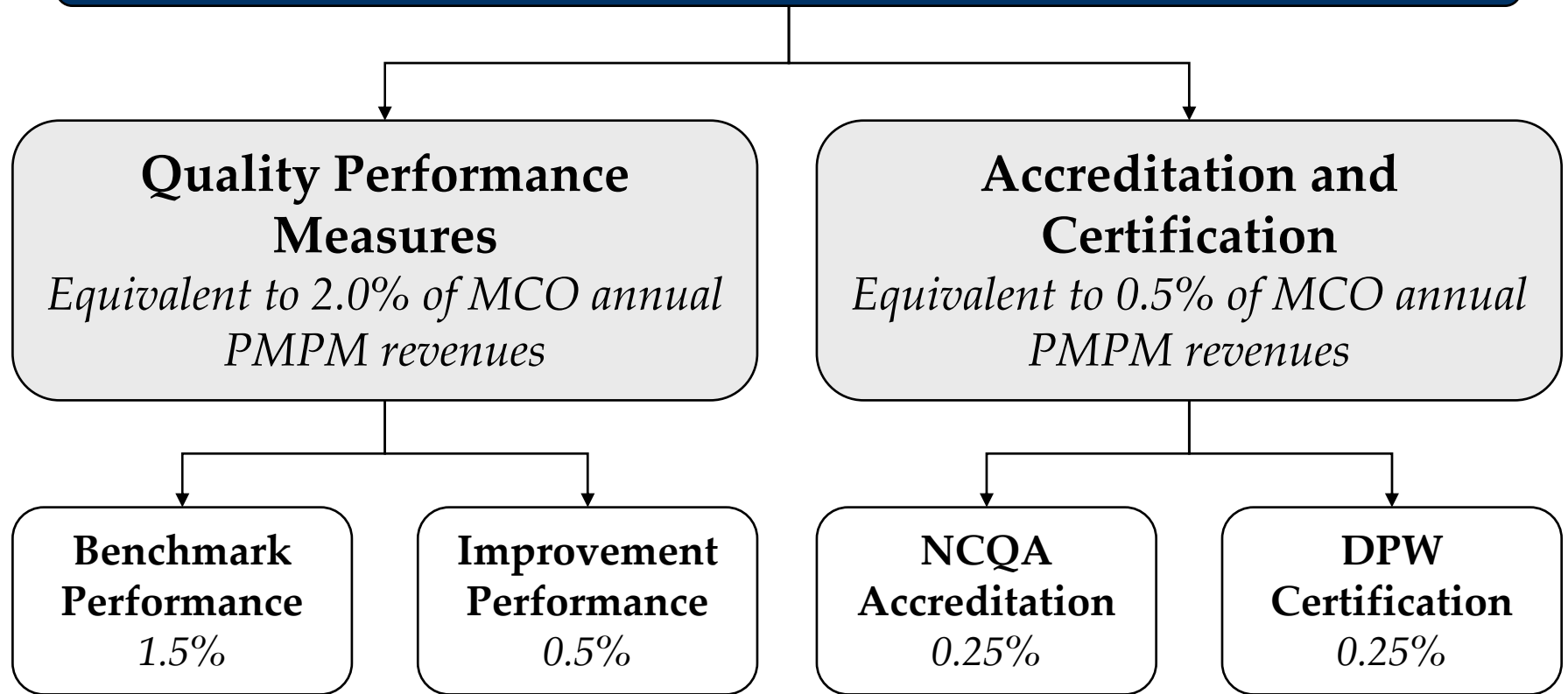
**≥ 90th Percentile
Benchmark**



1. Cervical Cancer Screening
2. Frequency of Ongoing Prenatal Care
3. Prenatal Care in the First Trimester

HealthChoices: MCO Pay for Performance 2008-2009 Modifications

2008-2009 HealthChoices MCO Pay for Performance



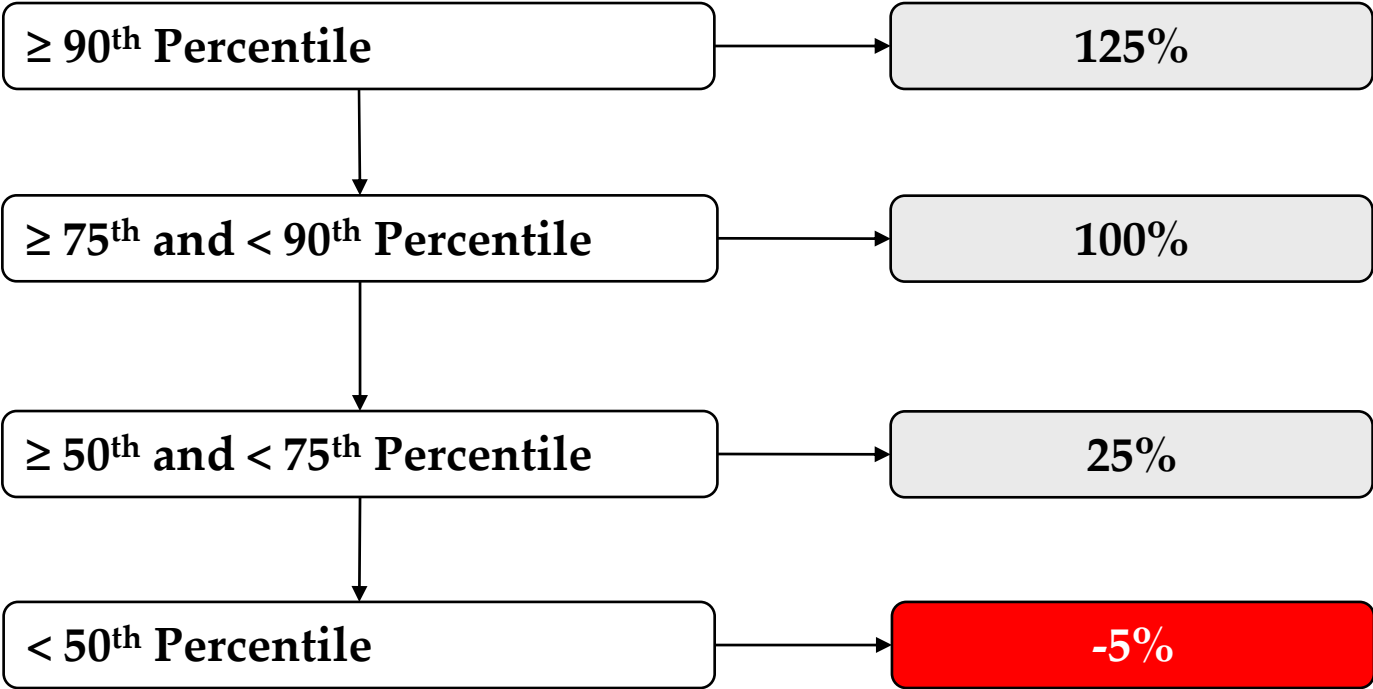
HealthChoices: MCO Pay for Performance

Quality Performance Measures

Benchmark Performance (1.5%)

If rate is:

Incentive payment is:

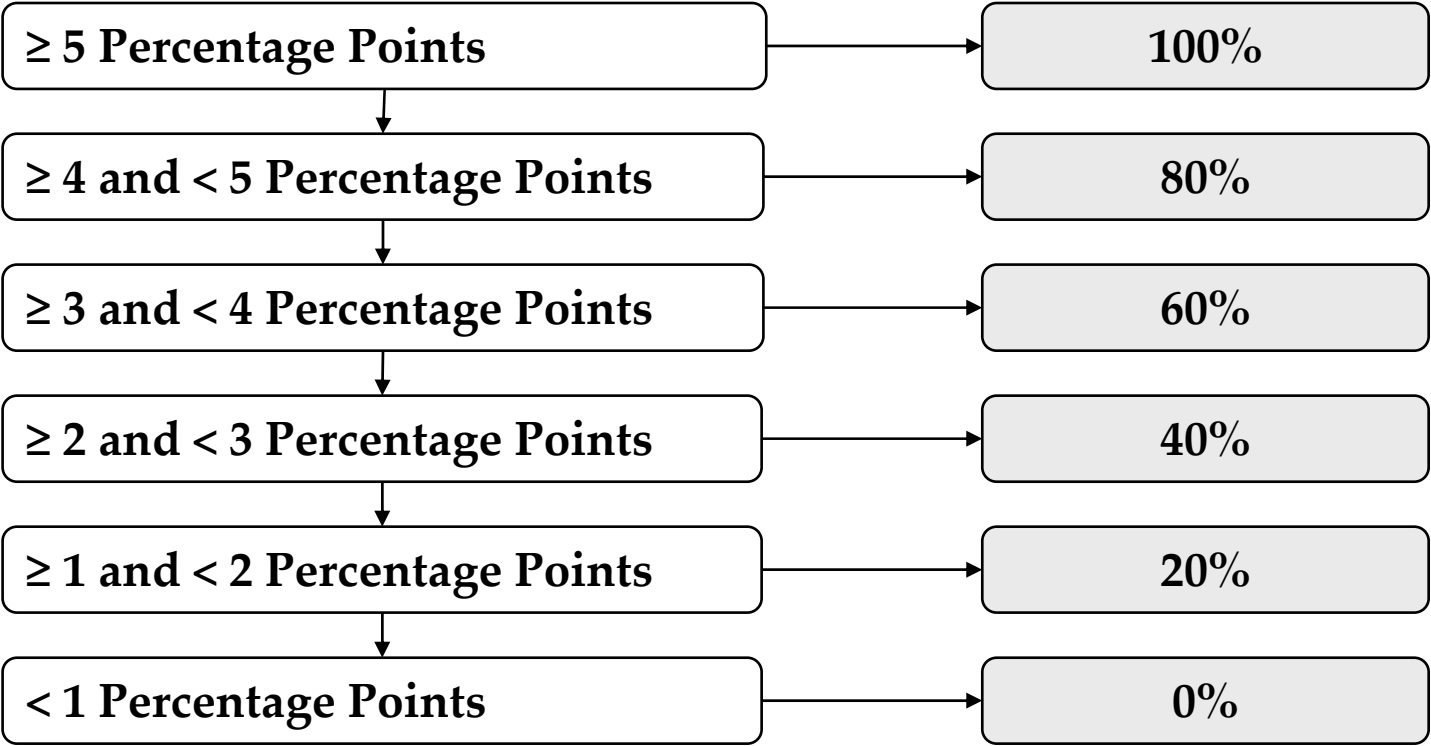


HealthChoices: MCO Pay for Performance Quality Performance Measures (Cont.)

Improvement Performance (0.5%)

If percentage point improvement is:

Incentive payment is:

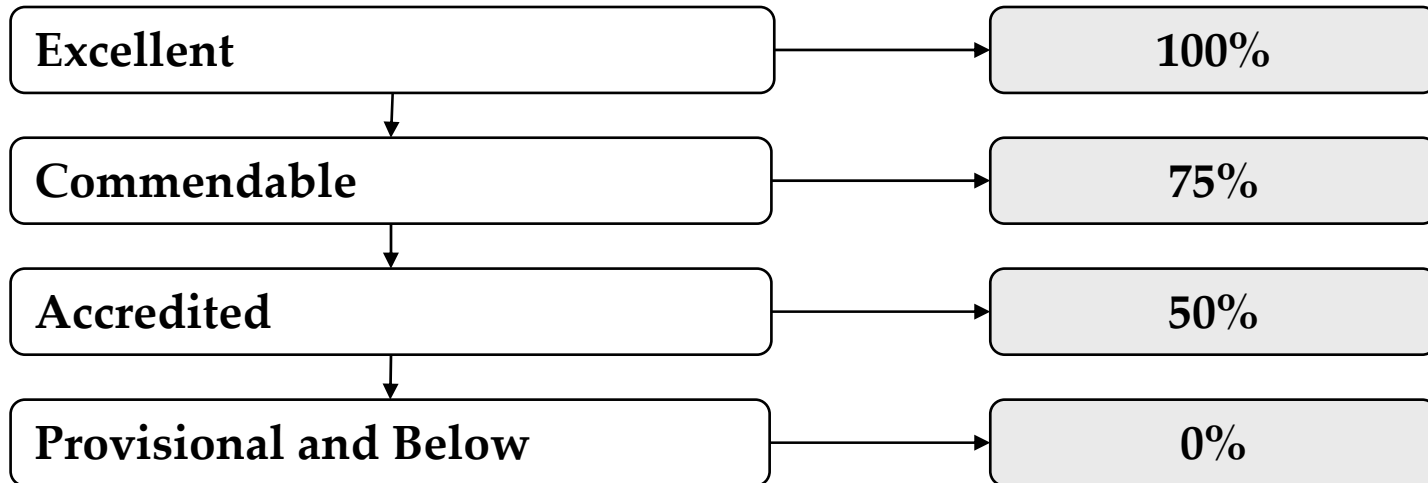


HealthChoices: MCO Pay for Performance *NCQA Accreditation*

NCQA Accreditation (0.25%)

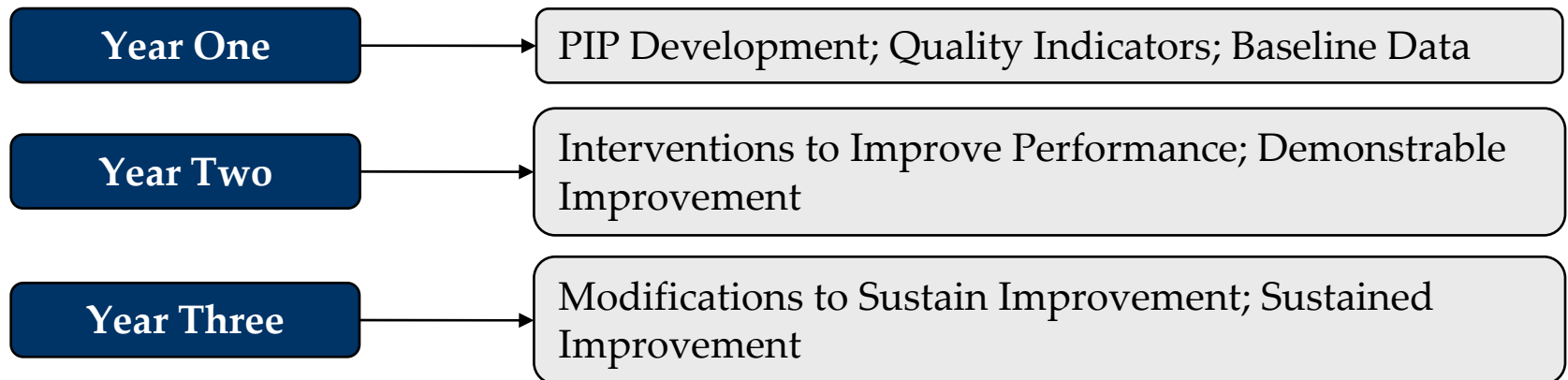
If accreditation level is:

Incentive payment is:



HealthChoices: MCO Pay for Performance *DPW Certification*

- » *DPW Certification (0.25%)*: Incentive payment for completing specific performance improvement projects (PIPs) in two of three priority topic areas:
 - › Increasing dental service utilization for children and adolescents
 - › Reducing racial and/or ethnic disparities related to specified health care services rendered to members with diabetes
 - › Coordination between physical health and behavioral health services



HealthChoices: Provider Pay for Performance

- » DPW implemented the HealthChoices Provider Pay for Performance Program in January 2008
- » Each MCO developed its own Provider Pay for Performance program
- » DPW encouraged MCOs to develop programs that would improve MCO pay for performance rates and access to care
- » DPW will evaluate best practices and may develop a standardized HealthChoices Provider Pay for Performance program for all MCOs

HealthChoices: Provider Pay for Performance (Cont.)

- » MCOs developed programs rewarding providers for:
 - › Clinical Performance (e.g., improving diabetes, breast cancer screening or prenatal care measure rates)
 - › Access to Care (e.g., extended office hours)
 - › Health Information Technology (e.g., electronic claims submission to MCO)
 - › Member Satisfaction (e.g., low levels of member complaints)

HealthChoices: Next Steps

- » Implement Quality-Based Auto-Assignment for MCOs
- » Evaluate effectiveness of NCQA Accreditation and DPW Certification in improving MCO performance
- » Evaluate Provider Pay for Performance best practices



Pennsylvania Pay for Performance Programs: *ACCESS Plus*

ACCESS Plus

- » DPW implemented ACCESS Plus in 2005
- » One ACCESS Plus Vendor providing PCCM and Disease Management services in 42 rural counties
- » Two pay for performance programs:
 - › *Vendor Pay for Performance*: Maximum incentive payment of 3% of the Vendor's ACCESS Plus PCCM PMPM performance period revenues per measure
 - › *Primary Care Provider (PCP) Pay for Performance*: \$1.00 PMPM pass-through to ACCESS Plus providers, with additional funding for dental Disease Management provider pay for performance component

ACCESS Plus: Vendor Pay for Performance

» Incentive payment for meeting NCQA HEDIS® benchmarks in 13 clinical performance measures based on HEDIS® measures and/or improvement from previous year performance:

1. Controlling High Blood Pressure
2. Comprehensive Diabetes Care: HbA1c Poorly Controlled
3. Comprehensive Diabetes Care: LDL Control <100
4. Cholesterol Management for Patients with Cardiovascular Conditions: LDL Control <100
5. Frequency of Ongoing Prenatal Care: >81 Percent of the Expected Number of Prenatal Care Visits
6. Breast Cancer Screening
7. Cervical Cancer Screening
8. Prenatal Care in the First Trimester
9. Use of Appropriate Medications for People with Asthma
10. Adolescent Well-Care Visits
11. Lead Screening in Children
12. Emergency Room Utilization
13. Well-Child Visits (Ages 3-6)

ACCESS Plus: Vendor Pay for Performance (Cont.)

2008-2009 ACCESS Plus Vendor Pay for Performance

Benchmark Performance

*Equivalent to 1.5%
of Vendor annual
PMPM revenues
per measure*

Improvement Performance

*Equivalent to 1.5%
of Vendor annual
PMPM revenues
per measure*

Performance Offsets

*Equivalent to 1.0%
of Vendor annual
PMPM revenues
per measure*

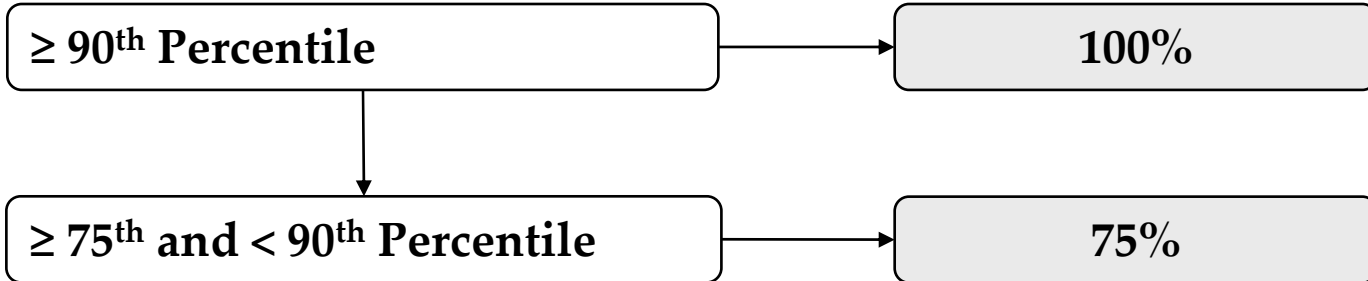
ACCESS Plus: Vendor Pay for Performance

Benchmark Performance

Benchmark Performance (1.5% per measure)

If rate is:

Incentive payment is:

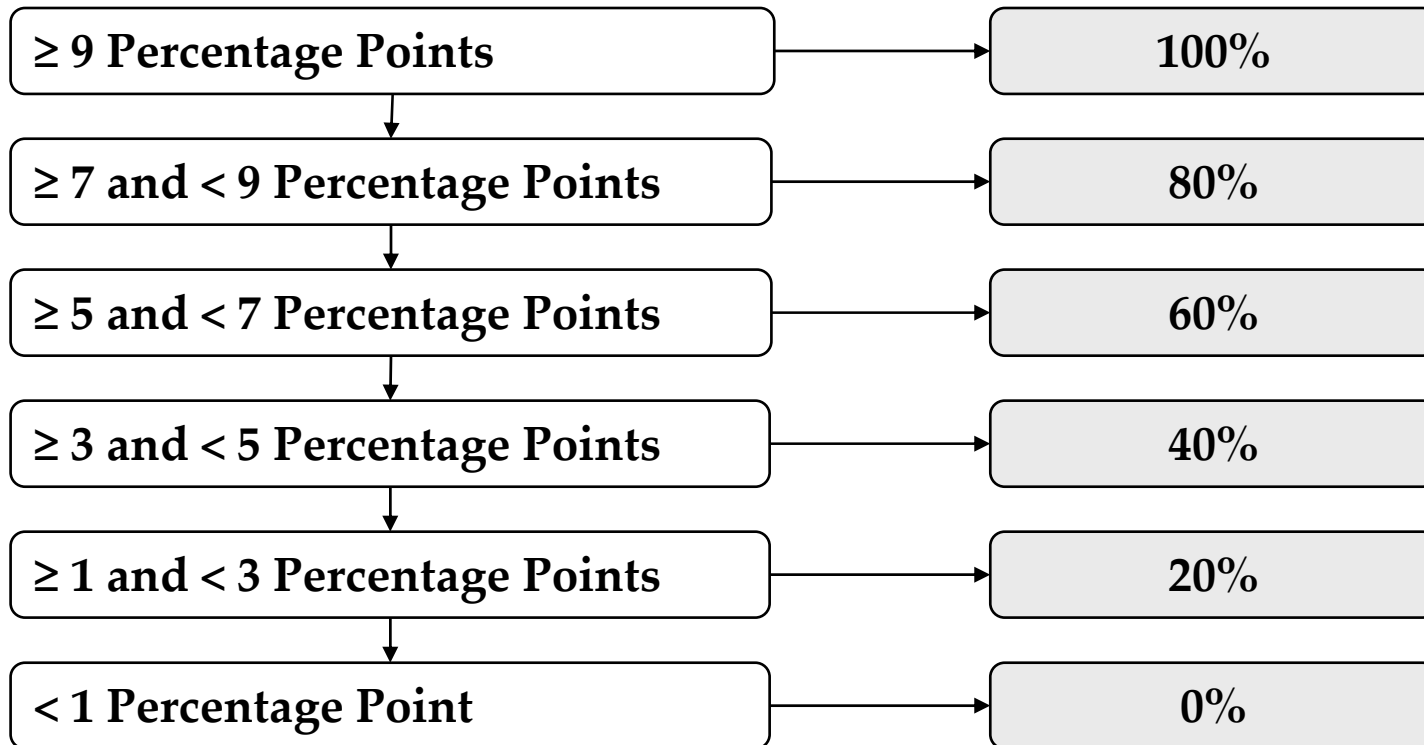


ACCESS Plus: Vendor Pay for Performance *Improvement Performance*

Improvement Performance (1.5% per measure)

If percentage point improvement is:

Incentive payment is:



ACCESS Plus: Vendor Pay for Performance *Performance Offsets*

Performance Offsets (1.0% per measure)

Rate is < 75th Percentile Benchmark

AND

≥ 4 Percentage Point Decrease

-1.0% Offset Assessed

ACCESS Plus: PCP Pay for Performance

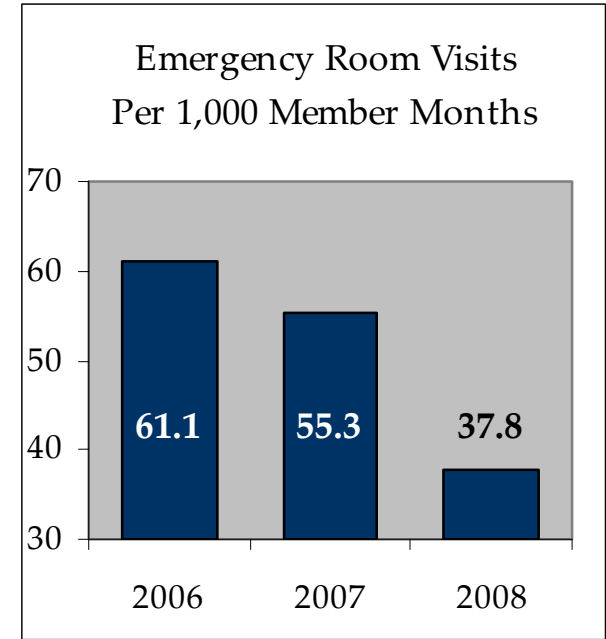
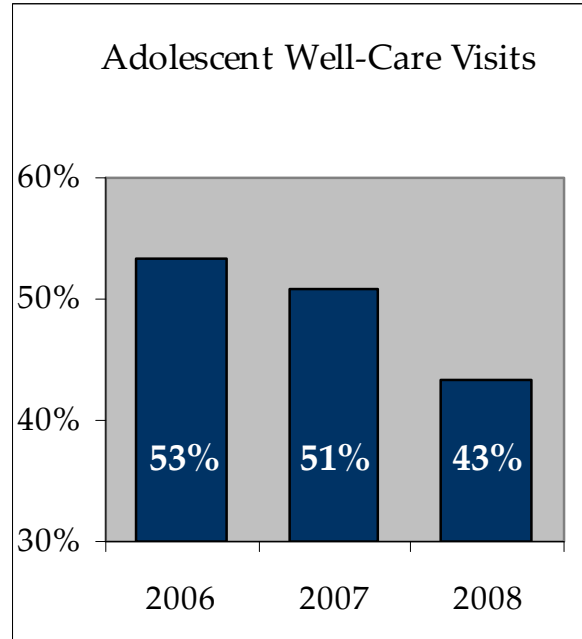
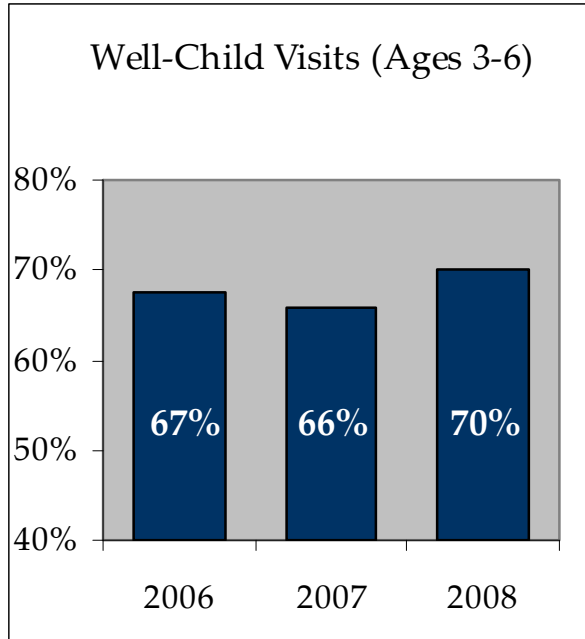
- » *Phase 1: Pay for participation*
 - › Sign-up for P4P program
 - › Encouraging consumer participation
 - › Identification of candidates for Disease Management
- » *Phase 2: Pay for collaboration*
 - › Care plan development
 - › Development of two care plans per year
- » *Phase 3: Pay for quality and access*
 - › Clinical performance measures
 - › Extended office hours

ACCESS Plus: PCP Pay for Performance *Participation Results*

- » More than 1,450 participating Providers (as of August 1, 2008)
- » Approximately \$3.2 million in incentives paid to enrolled Providers (program to date)
- » Participating offices care for more than 15,000 Disease Management Enrollees
 - › More than 7,000 of these Enrollees are high-risk

ACCESS Plus: Pay for Performance

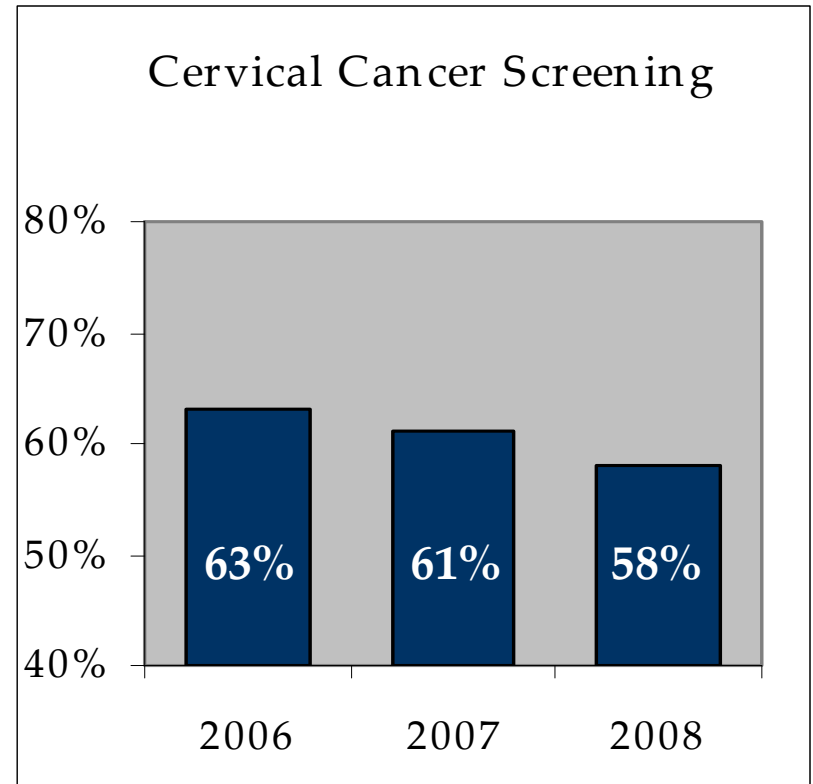
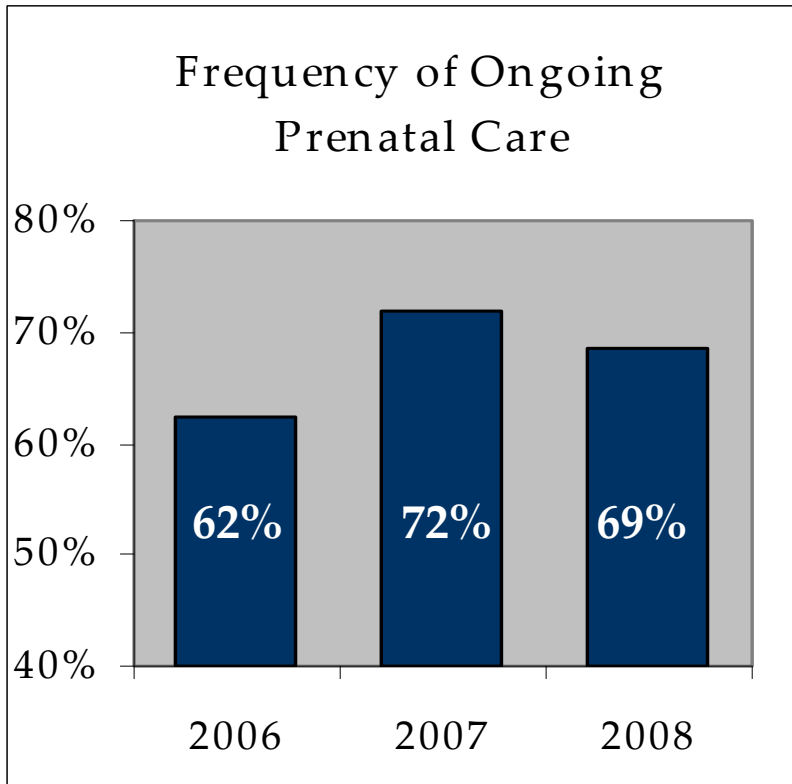
Results: Preventive Care and ER Utilization



Vendor Pay for Performance measure results were mixed.

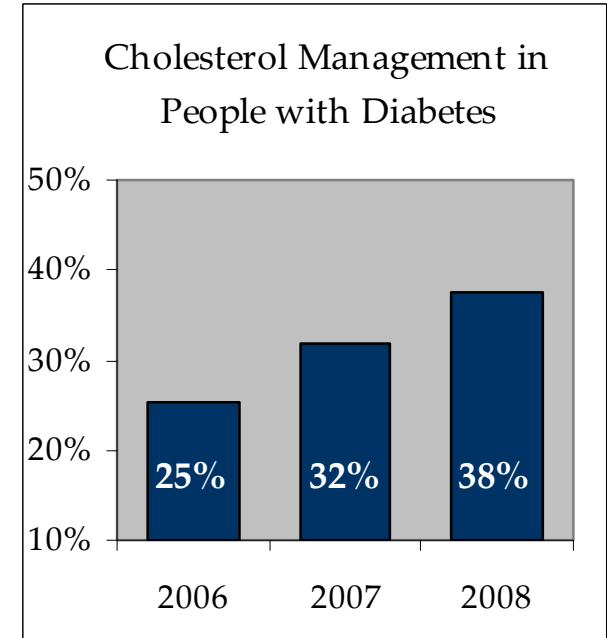
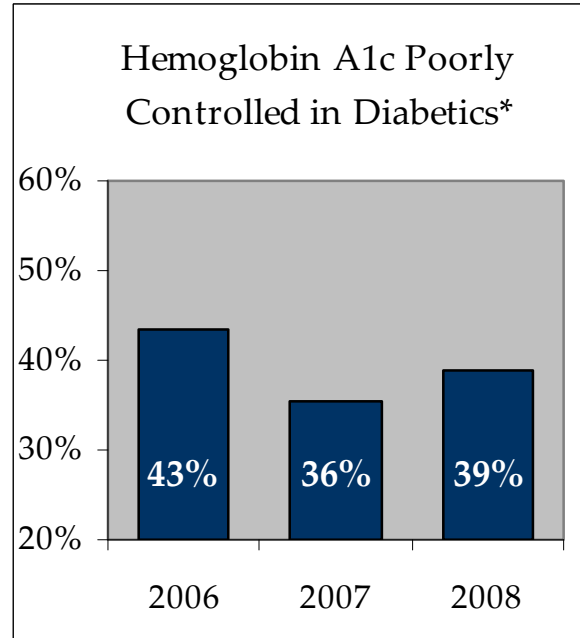
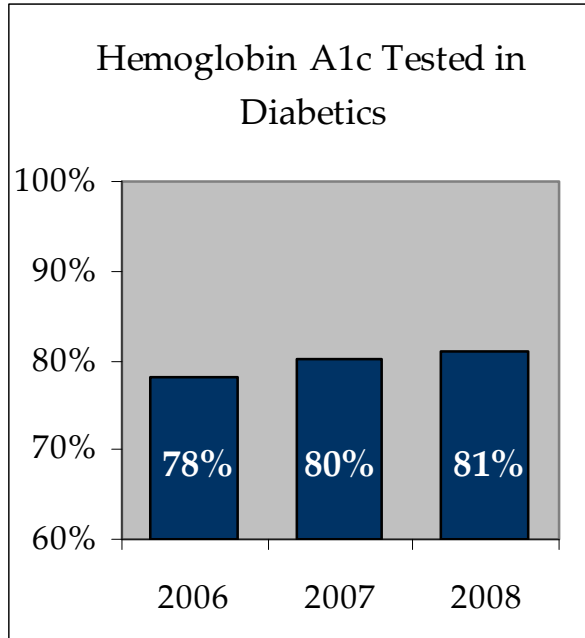
ACCESS Plus: Pay for Performance

Results: Prenatal Care and Cervical Cancer Screening



ACCESS Plus: Pay for Performance

Results: Diabetes

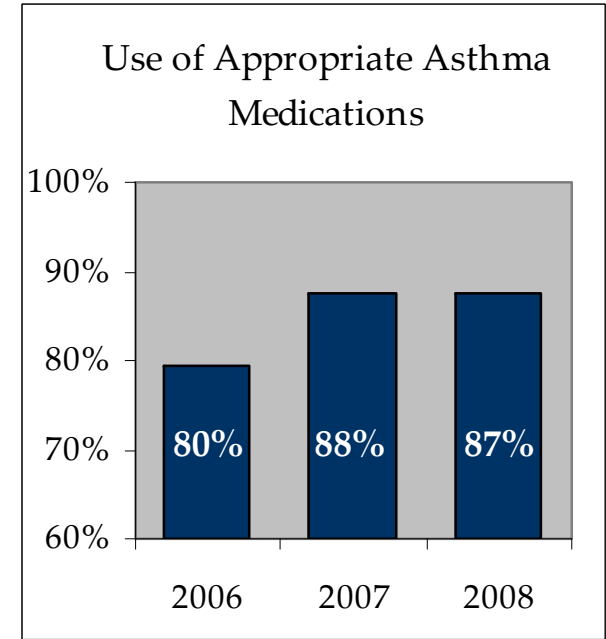
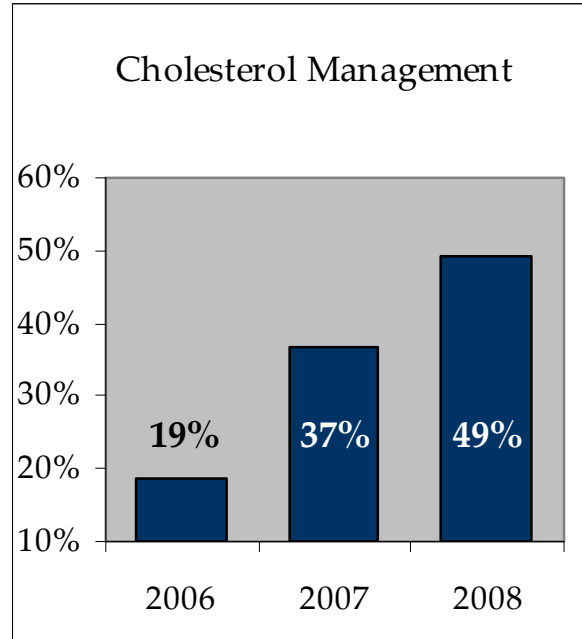
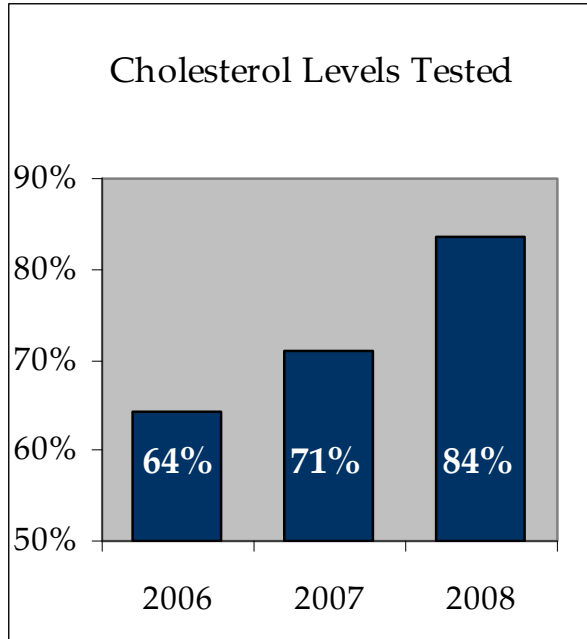


* Low rate measure

Generally, PCP Pay for Performance measures improved more than Vendor Pay for Performance measures.

ACCESS Plus: Pay for Performance

Results: Cardiovascular Disease and Asthma



ACCESS Plus: Pay for Performance

Additional Disease Management Results

- » 50% of Disease Management Enrollees in the highest severity of illness (Level 3) improved to a Level 1 or 2
- » Cost savings of Disease Management program
 - › \$27 million in Year 1
 - › \$35 million in Year 2
- » Preliminary regression analysis indicates lower PMPM costs for individuals managed by pay for performance participating physicians

ACCESS Plus: Next Steps

- » Complete ACCESS Plus evaluation to determine impact of pay for performance on quality, access and cost
- » Expand pay for performance to other DPW priority areas (e.g., incorporate PCCM measures into PCP Pay for Performance program)
- » Shift pay for performance program focus towards outcomes, not just process
- » Implement a Consumer Incentives program to reinforce DPW priorities



Pennsylvania Pay for Performance Programs: Hospital Pay for Performance

Hospital Care Incentive Program

- » DPW implemented the Hospital Care Incentive Program in 2005
- » DPW made first payments in April 2006
- » Program rewards:
 - › Better management of chronic disease
 - › Better management of drug therapies
 - › Better coordination between physicians, hospitals, and MCOs
 - › Investment in quality related infrastructure
- » Program uses data already reported by hospitals (PHC4, CMS, Leapfrog[®], JCAHO[®])
- » \$2 million budgeted in first year

Hospital Care Incentive Program (Cont.)

- » Participation limited to hospitals receiving DSH payments
- » Separate scoring methodology for acute care and children's hospitals
- » Scores used to adjust rate increases provided to hospitals receiving DSH and Medical Education payments

Hospital Care Incentive Program

Results

- » Achieved acceptable 7-day readmission rates for Asthma, Diabetes, Congestive Heart Failure and COPD
- » Met expected pneumonia mean time to first antibiotic scores and heart functioning assessment scores
- » Maintained 24-hour intensive coverage (for children's hospitals)
- » 23 of 29 hospitals rewarded for implementing a single electronic medical record
- » 28 of 29 hospitals rewarded for implementing a formal pharmacy error prevention program
- » 22 of 29 hospitals reported to one of the following quality measurement programs: Leapfrog[®], CMS/Premier, JCAHO[®]

Hospital Care Incentive Program: Next Steps

- » Implement Preventable Serious Adverse Events Initiative (October 2008)
 - › Pennsylvania is the first state to operationalize an initiative to link non-payment to Preventable Serious Adverse Events for its MA program
 - › DPW worked closely with the Hospital and Healthsystem Association of Pennsylvania to develop this initiative
- » Consider additional program modifications



P4P Lessons Learned

Lessons Learned

- » Identify common agency goals and develop programs that work together to accomplish agency goals
- » Keep it simple
- » Use appropriate measures and methodologies
- » Qualitative results are important
- » Listen to stakeholder feedback
- » Encourage or require stakeholders to reinvest pay for performance incentive payments in program improvements
- » It's hard to get it right the first time

Questions?