

A Case Study from California:

Pay for Performance Incentives and the Adoption of Information Technology

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Agenda

- California P4P Program Background
- Information Technology Measurement and Two Year Results
- Correlation with Quality Improvement
- Physician Group Engagement

Program Background

The goal of P4P is to create a compelling set of incentives that will drive breakthrough improvements in clinical quality and the patient experience through:

- ✓ Common set of measures
- ✓ A public scorecard
- ✓ Health plan payments

Plans and Medical Groups – Who's Playing?

Health Plans*

- Aetna
- Blue Cross
- Blue Shield
- Western Health Advantage (2004)
- CIGNA
- Health Net
- PacifiCare

Medical Groups/IPAs

- Over 225 groups / 35,000 physicians

6.2 million HMO commercial enrollees

* Kaiser will participate in the 2005 scorecard

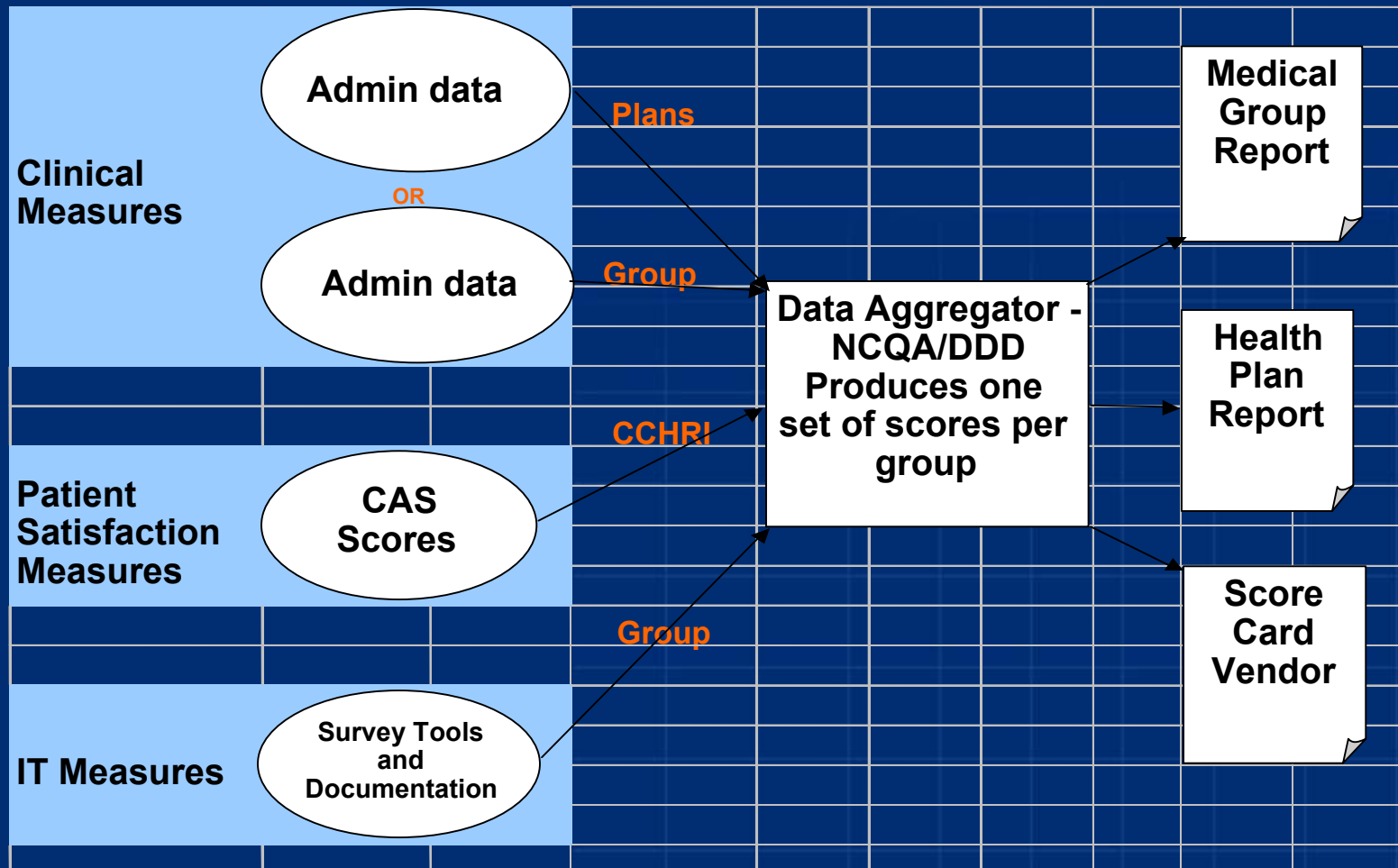
Measurement Year Domain Weighting

	2003	2004	2005
Clinical	50%	40%	50%
Patient Experience	40%	40%	30%
IT Investment	10%	20%	20%
Individual Physician Feedback program			10% “extra credit”

Organizing Principles

- All data collection is limited to electronic information only (no chart review).
- Data from all participating health plans is aggregated for a total patient population by physician organization.
- Financial incentives are being paid for IT adoption to support the structure needed for data collection and patient management

Data Collection & Aggregation



Note: 6 of 7 Plans used aggregated dataset for payment calculations

Year 1 OPA Public Reporting

Name of Medical Group	Getting the Right Medical Care based on patient records and recommended standards of care	Patient Rating of Care Experiences based on patient surveys of their care and service
	Explore this rating	Explore this rating
	Scored Lowest Scored Average Scored Highly Scored Best	☆ Poor ☆☆☆ Good ★ Fair ★★ ★★ Excellent
Brown & Toland Medical Group		★★
Humboldt-Del Norte IPA		★★★★
Marin IPA		★★
Sonoma County Primary Care IPA		★★★★
Sutter Medical Group of the Redwoods		★★
The Permanente Medical Group - Bay Area	The Permanente Medical Groups' quality program differs from the California Pay for Performance program that is reported here	★
Valley of the Moon Medical Group		★★

www.opa.ca.gov

Public Reporting Using Aggregated Dataset

- Aggregating data across plans dataset creates larger denominator and allows valid reporting for more Groups

Number of reportable scores	Number of Groups using <i>large plan's data</i>	Number of Groups using Aggregated dataset
0-2	53	12
3-4	54	32
5-6	55	118
Total	162	162

Information Technology (IT) Measurement

- Measure 1 - clinical data integration at group level (i.e. population mgmt.)
- Measure 2 - clinical decision support (point of care) to aid physicians during patient encounters

For full credit, demonstrate four activities, with at least two in Measure 2

Information Technology (IT) Measurement Clinical Data Integration Activities

- Patient Registry
- Actionable Reports
- Electronic HEDIS results

Information Technology (IT) Measurement Point-of-Care Technology Activities

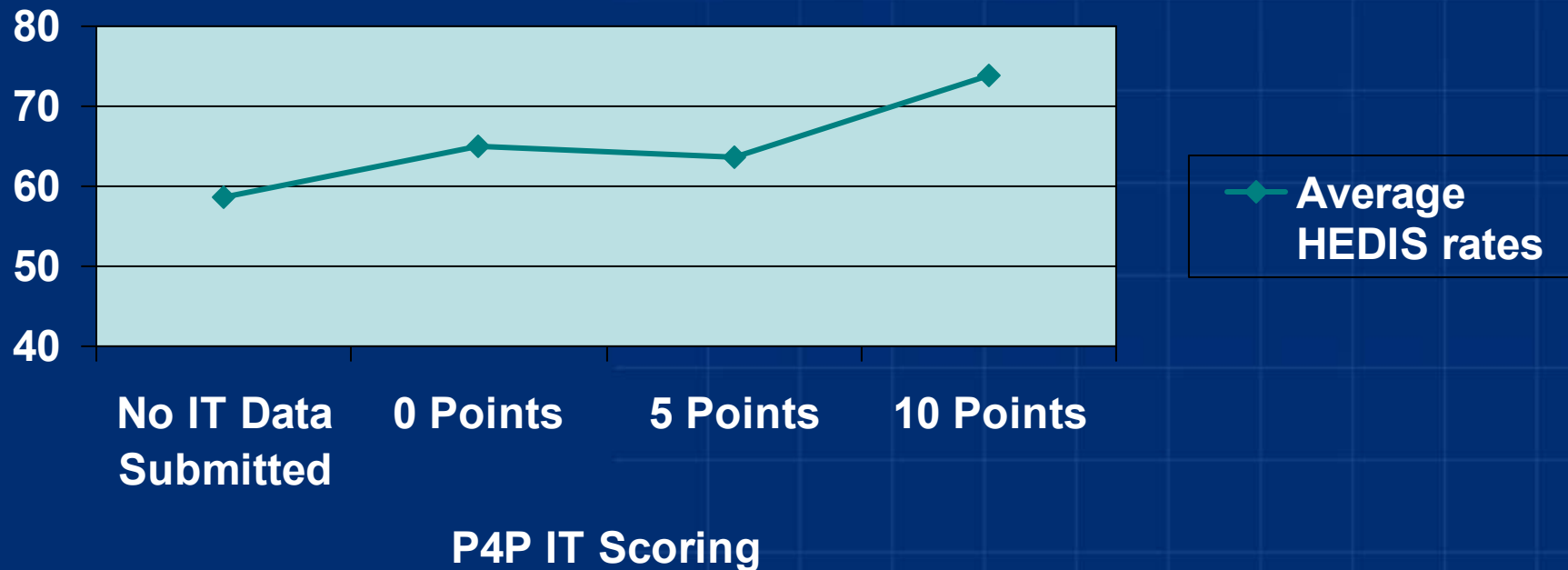
- E-prescribing and check for interaction
- E-access to lab results
- E-access to clinical notes
- E-retrieval of patient reminders
- E-messaging

Health Plan Incentive Payments

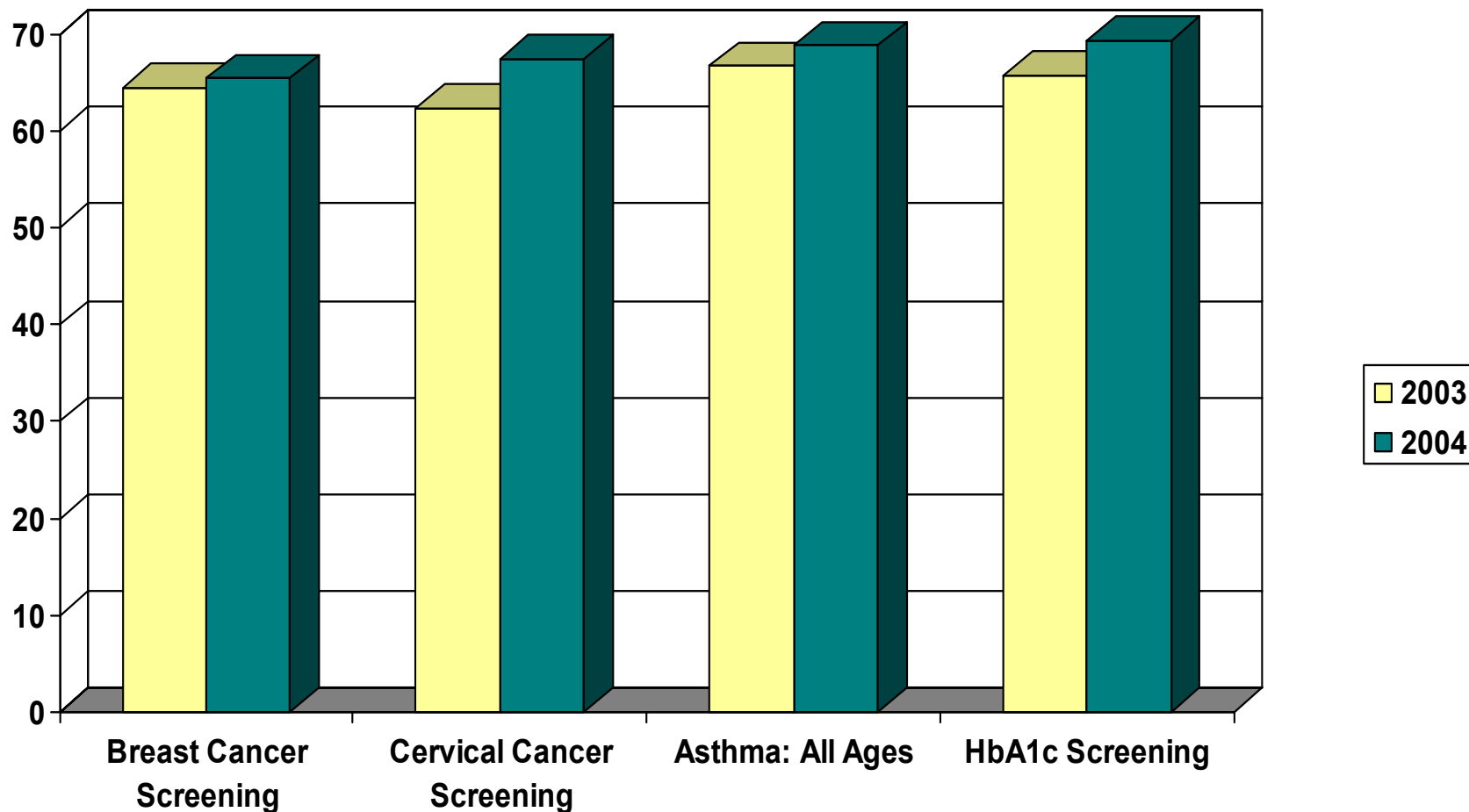
- Estimated \$40 million payout for 2003 by participating plans to all groups.
- 74 of 215 groups qualified for IT measure payments in 2003
- 119 of 225 groups qualified IT measure payments in 2004

Year 1 (2003) Results: Stronger IT Yields Better Quality

Clinical Measure Averages by IT Score



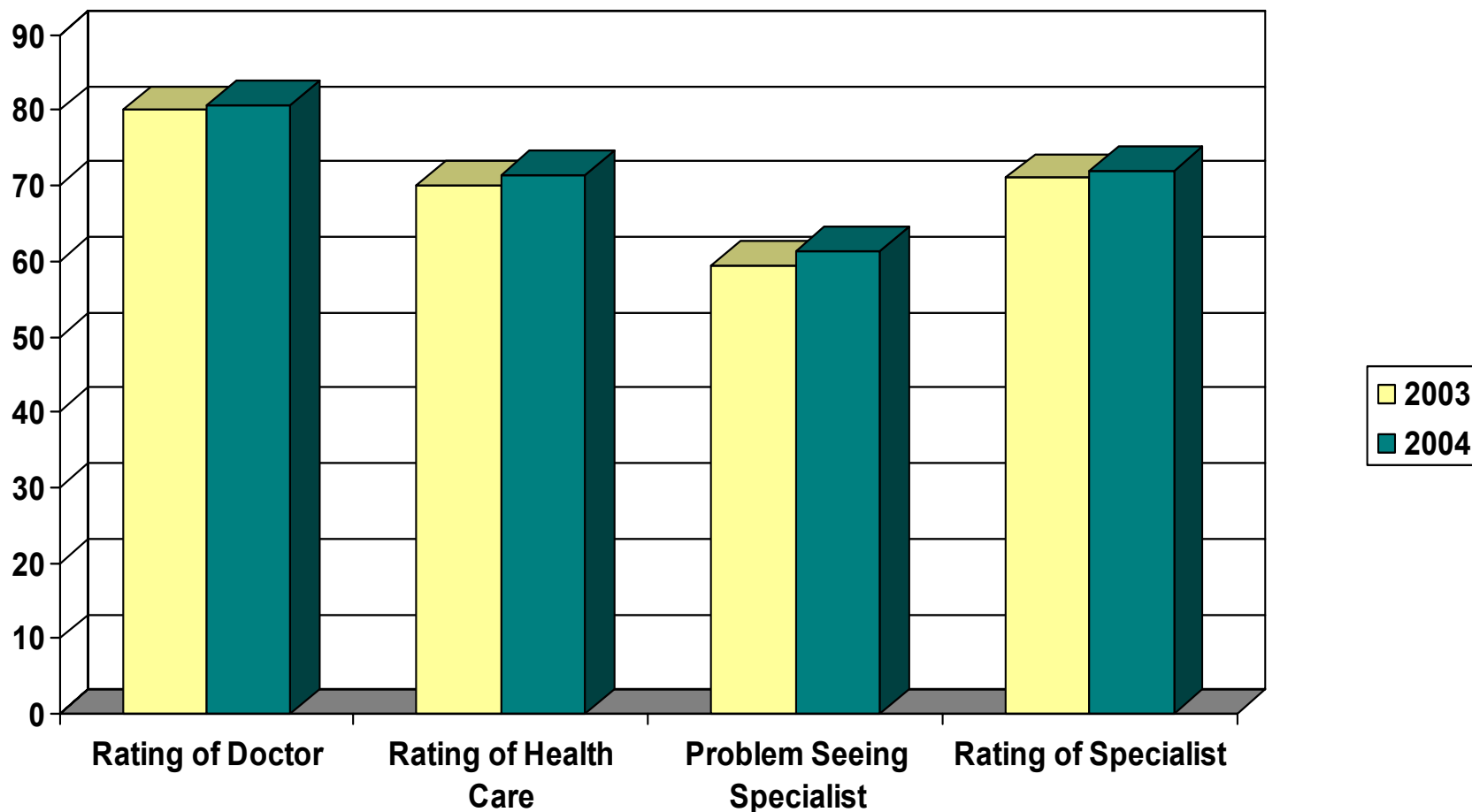
Clinical Results 2003/2004



Improved 2004 Clinical Results

Measure	Number of Groups	Number of Groups Improving	Pct of Groups Improving	Average Change
Clinical				
Clinical Average	46	40	87.0	5.3
Breast Cancer Screening	167	94	56.3	1.1
Cervical Cancer Screening	168	130	77.4	5.4
Asthma Overall	132	94	71.2	2.6
HbA1c Screening	166	100	60.2	3.5
Cholesterol Screening (Cardiac Patients)	46	41	89.1	10.2

Patient Experience Results 2003/2004

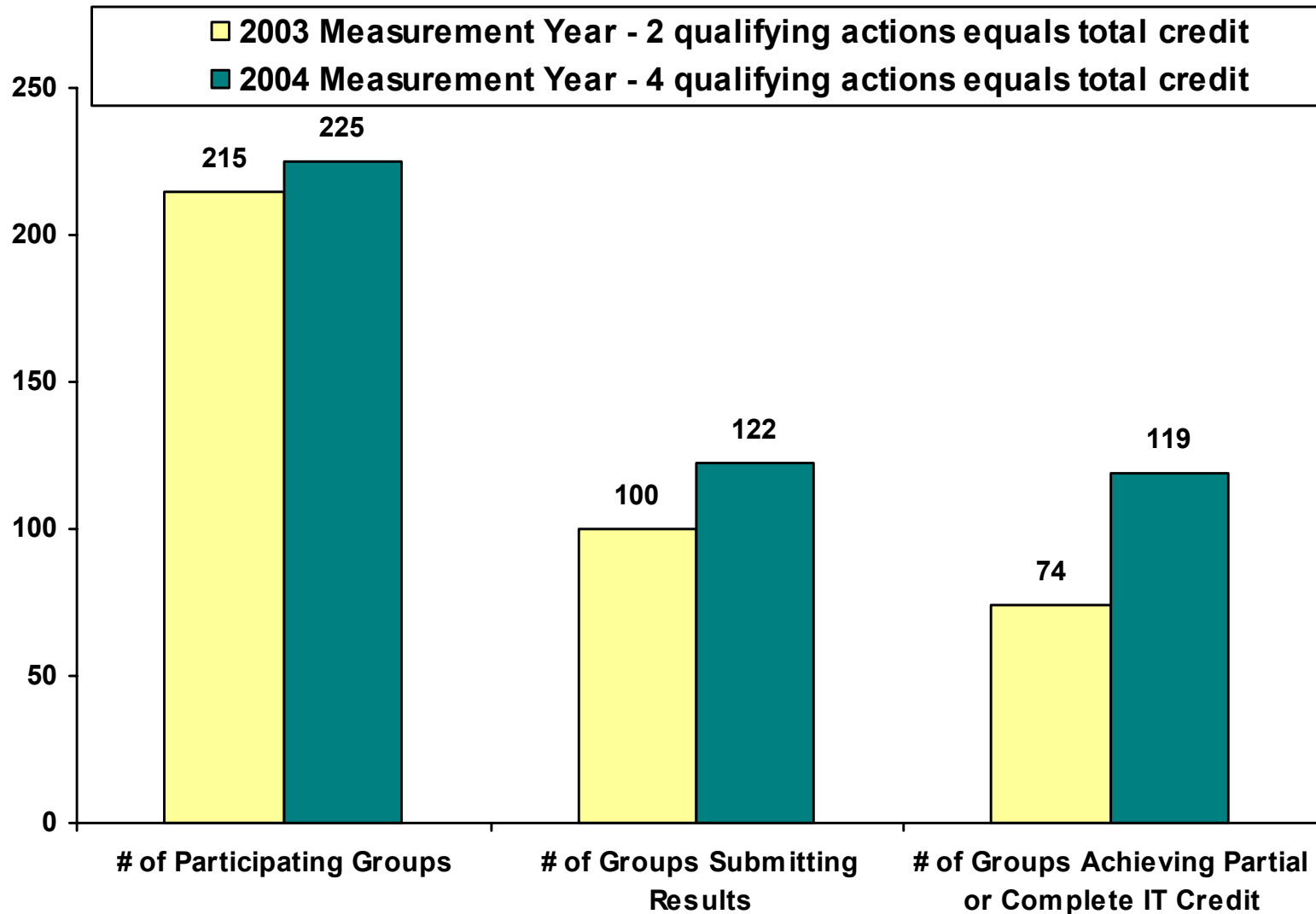


Improved 2004 Patient Experience Results:

Patient Experience Measure Improvements from 2003 to 2004

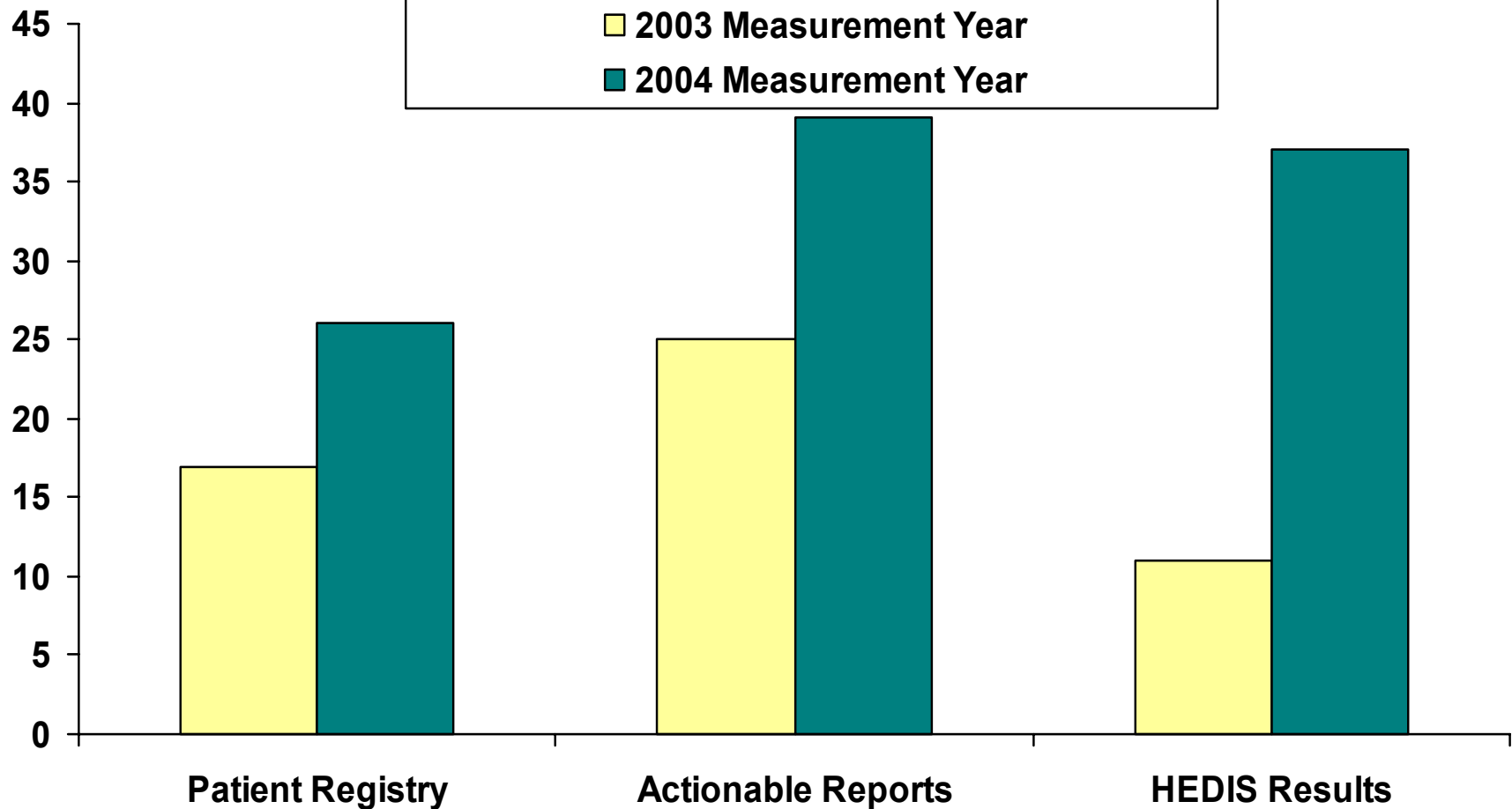
Measure	Number of Groups	Number of Groups Improving	Pct of Groups Improving	Average Change
Patient Experience				
Survey Average	108	71	65.7	1.2
Rating of Doctor	115	62	53.9	0.5
Rating of Health Plan	115	73	63.5	1.4
Specialist Problems	109	64	58.7	2.2
Rating of Specialist	108	63	58.3	0.8

IT Adoption Results 2003/2004

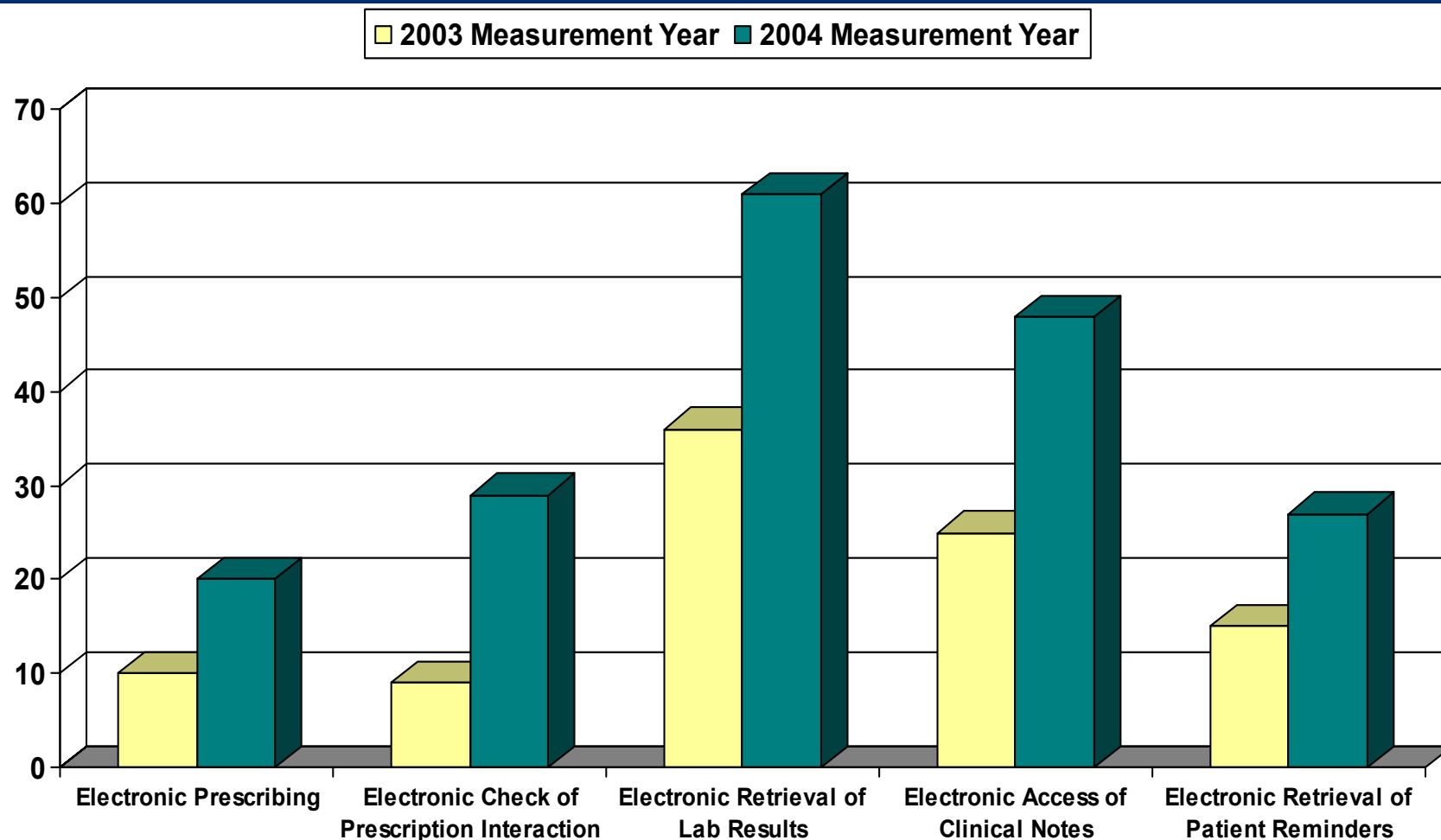


Integration of Clinical Electronic Data

Percentage

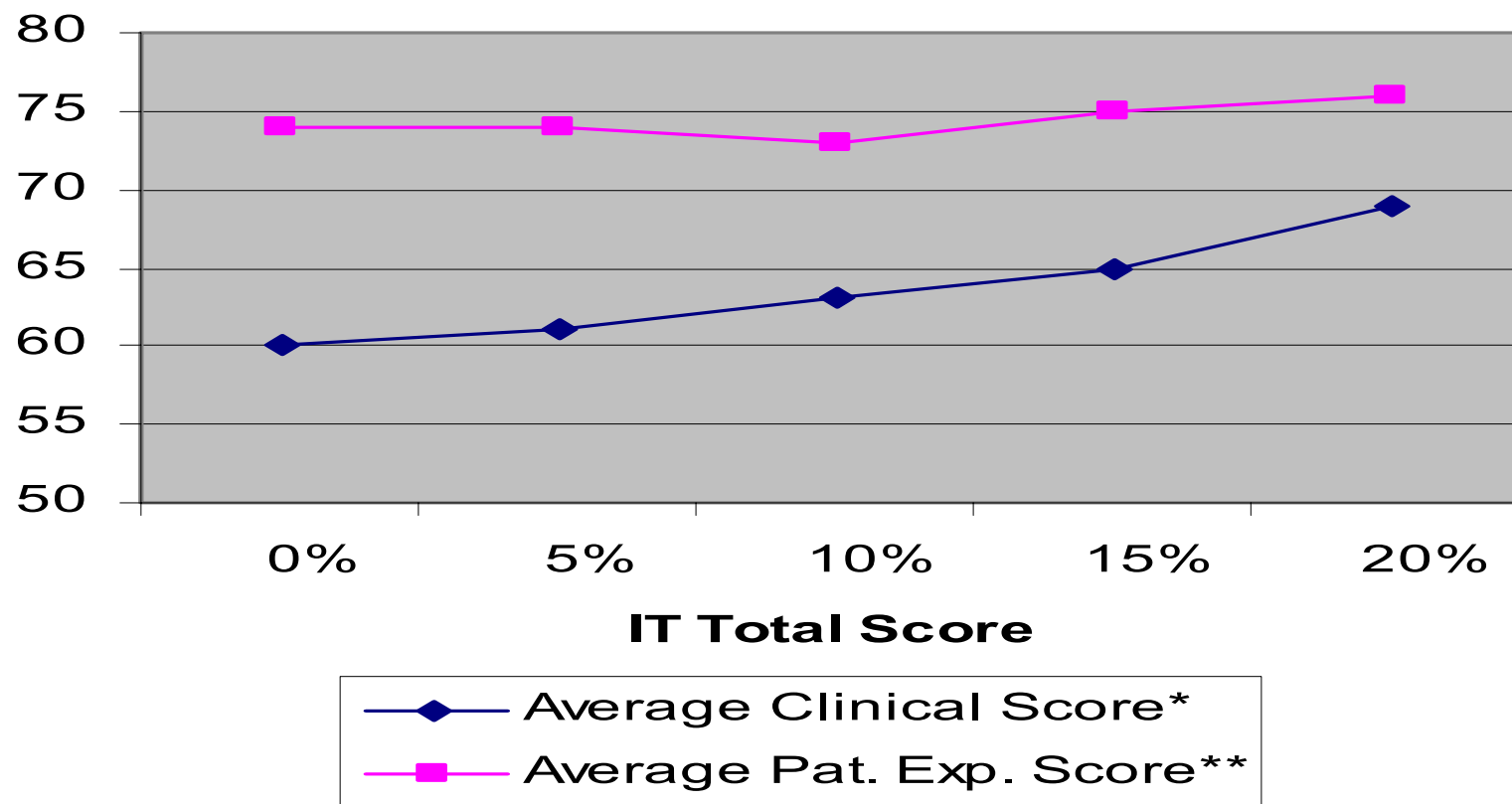


Point-of-Care Technology



Stronger IT Yields Better Clinical Quality

**Clinical and Patient Experience
Average by IT Total Score, MY 2004**



Preliminary Evaluation Results:

*Physician Group Feedback**

- Public reporting is viewed favorably
- Public reporting is strong motivation to perform
- Physician Groups believe the measures are reasonable
- Physician Groups are comfortable being held accountable for measures, including IT
- P4P has inspired significant efforts to collect relevant data

* Collected from Physician Group leadership interviews conducted by RAND and UC Berkeley