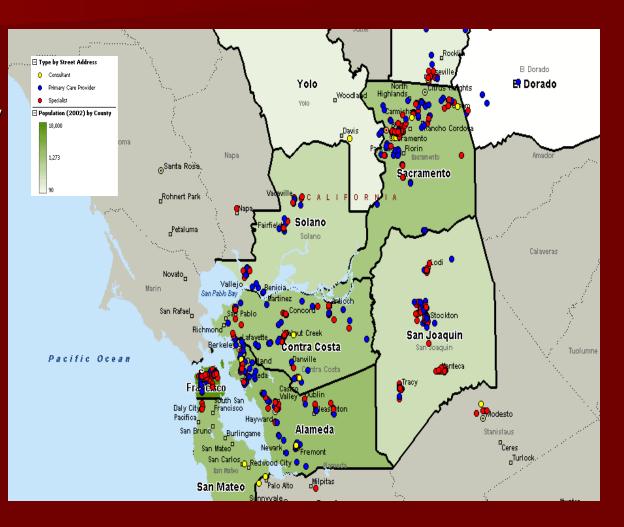
Physician Group Experience in a PFP Program: Maximizing Opportunity February 7, 2006

Bart Asner M.D., CEO Monarch HealthCare

Ann Woo, Pharm. D. Hill Physicians Medical Group

Hill Physicians Medical Group

- 400,000 members in 10 counties served by over 2500 physicians and 20 hospitals
 - Bay: 150,000
 - Sac: 130,000
 - Solano: 25,000
 - San Joaquin: 70,000
 - S.F.: 8,000



Monarch HealthCare Physicians

190,000 members in Orange County, served by over 1,900 physicians and 20 hospitals



IHA Pay For Performance: A Business Case For Quality

- Purchasers and employers expect value and greater provider accountability
- PFP is a reimbursement model to reward physicians/groups for quality and performance
- Does PFP create a *compelling* set of incentives that drive *breakthrough* improvements in clinical quality and the patient experience?
- Have California physicians embraced PFP?

PFP Critical Success Factors

It is all about the data!
It is all about physician buy in!
It is about both the data and physician buy in...they are inextricably linked to ultimate success!

Major Data Challenges to Improve Clinical Measures

Identifying PFP patient population
Obtaining lab data
Correct coding

Identifying PFP Population

Problem:

- Identify PFP population and patients due: (Run reports, e.g., HgbA1C)
- Difficult to integrate data
- Long, out of date, difficult to manage, inaccurate
- Difficult to get to the physicians at point of care

Solutions:

- Web-based program: "Drilldowns" based on MD quarterly profiles available for MD follow-up
- Report functions as patient outreach list and attestation sheet
- Interventions on behalf of the physician

HDL / LDL / HbA1c Testing

Name	DOB	DOS	Y / N
Anuncio, Al	5/12/1959	1/5/2005	Y
Brown, Bob	1/2/1943	2/13/2005	Y
Chang, Lee	3/23/1957	3/17/2005	Y
Carre, John	6/8/1937	n/a	Ν
Dunn, Ed	6/10/1934	2/20/2005	Y

HDL / LDL / HbA1c Testing

Name	DOB	HDL	LDL	HbA1c
Anuncio, Al	5/12/1959	36	11	6.4
Brown, Bob	1/2/1943	40	153	6.8
Chang, Lee	3/23/1957	74	101	6.5
Carre, John	6/8/1937	n/a	n/a	n/a
Dunn, Ed	6/10/1934	31	n/a	7/3

Current Attestation Form

Patient Exclusions					
#12 – Axxx, Michael A, 11/DD/YYYY					
Patient was	Primary Insurance	BLUESHIELD HMO			
tested		plan code 542			
	Secondary Insurance	KAISER XYZ plan 123			
	Facility where tested	KAISER hospital			
	Date when tested	04/01/2005			
Steroid Induced DM	√ Diagnosis Date				

Obtaining Lab Data

Problems

- Timeliness of lab data
- Lab data incomplete
- Lab company not responsive

Solutions

- Monthly; still have lags because of member matching
- Vendor developed a tool for Hill Physicians that is now available to other users
- Research feedback from physicians- identifies problems
- Have sites that don't use contracted vendor
- Be persistent
- Audit the negatives
- Develop real-time HL7 interface
- Contractually obligate the lab company

Correct Coding

Problems

PCP's coding inaccurately (using 250.00 instead of V77.1 Screening for Diabetes)

Solutions

- Combining this information with our Medicare Risk Adjustment project
- Reviewed at Primary Care Panel meetings
- Redesigned fee tickets
- Staff "recoding" project

Physician Participation & Motivation

Problems

- Not enough time to do everything we want them to do
- Lack of awareness about measures and codes
- Lack of incentive

Physicians Accept IHA PFP

- Physicians (AMA, CMA) can be your best friend or your worst nightmare!
- Medicare has cajoled the physician community and still has limited buy in
- IHA was sensitive to physician involvement in creating data sets and performance criteria
- Medical group feedback was solicited and input drove adoption of what was being measured
- Time consuming process but more effective

PFP Changed the Practice of Medicine in Our Community

- Physicians believe in delivering quality care, they just have difficulty agreeing on what it is
- Physicians respond to data, and feedback on comparative performance
- Performance data must be transparent and verifiable to have an impact on behavior
- Once convinced, physicians will perform!

PFP Changed the Practice of Medicine in Our Community

- Physicians respond to achievable economic incentives
- 5-10% of compensation, if performance based, will drive behavior change
- Report cards which show potential vs. actual earnings are essential

Engaging the Physicians at Hill

What is in it for the individual physician?

- Clinical reports are integrated into their profiles/reports
- Reports are quarterly
- We help the practices implement group visits, implement reminder systems, use features in their practice management systems

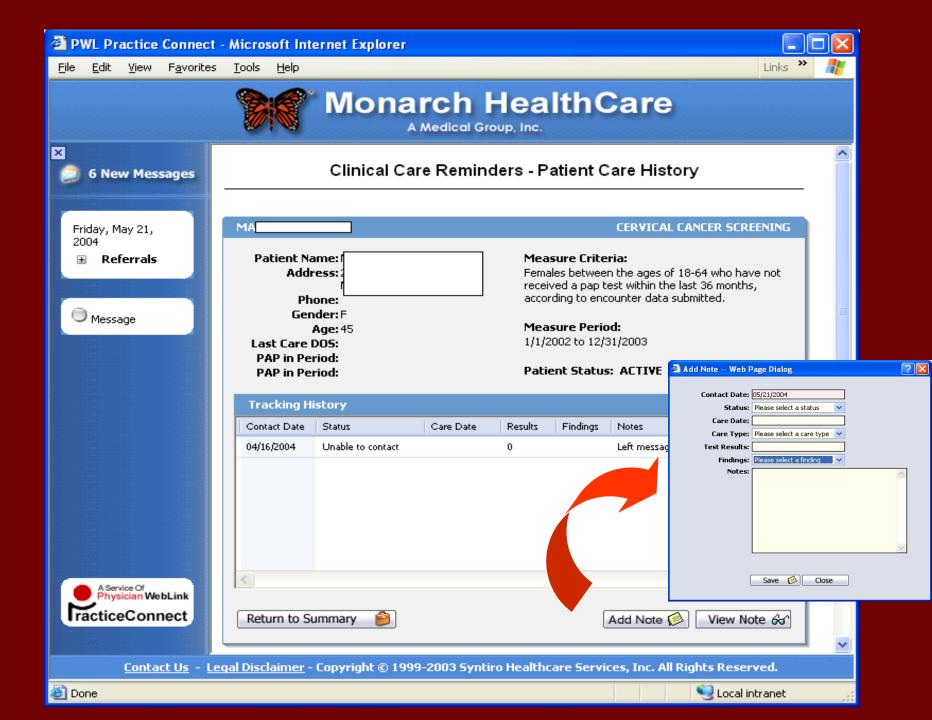
What Has Monarch Done?

- Providing physicians data is necessary but not insufficient
- Giving physicians information with tools to promote improvement makes a difference
- Point of care reminders will promote intervention and enhance quality

Clinical Care Reminders

PWL Practice Connec	t - Microsoft Internet Explorer	
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	Monarch HealthCare	
× 6 New Messages	Select a Provider and Clinical Care Type	
The subscription of the su	Provider Search: HICKS TOMMY	
Friday, May 21, 2004	Last Name First Name Clinical Care Type: Cervical Cancer Screening Childhood immunization Childhood immunization Chamydia Cholesterol Management w/ LDL level > 100 Cholesterol Management w/o LDL screeening Chronic Care Diabetes Care w/ HbA1c >= 7.5 View All Patients	≣
A Service Of Physician WebLink FracticeConnect	Generate Report Clear Form	>
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PWL Practice Connect	- Microsoft Internet Explorer					
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	Monarch HealthCare					
X 6 New Messages	Clinical Care Reminders - Cervical Cancer Screening	<u>^</u>				
	Select a patient from the list below.	=				
Friday, May 21, 2004						
🗄 Referrals	SUMMARY CERVICAL CANCER SCR					
Message	Screenings(s) Needed: 30 Patient Criteria Total Screening Population: 65 Females between the ages of 18-64 who have not received a pap test within the last 36 months, according to encounter data submitted. Percent Screened: 54% submitted. Network Average: 62% Monarch Benchmark: 75					
	Patient Name Phone Age Status Last Care D Last PAP D PAP in P	Period 💋				
	AB45 Unable to contact					
	AN 35					
	AR (949) 32 06/16/2003 1 AT (949) 43 06/12/2003 1	_				
	BE 52 06/17/2002 1	_				
A Service Of Physician WebLink						
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Group Score Card



Monarch HealthCare A Medical Group, Inc.

ABC Medical Group

Potential Bonus: \$47,840 Bonus Earned: \$40,664

Criteria Measurement	Group Score	Network Benchmark	Possible Points	Points Earned	Estimated Potential Dollars	Dollars Earned
Quality Performance						
Breast CA Screening and Diabetes Care	82%	85%	20	15	\$9,568	\$7,176
Satisfaction						
Member Satisfaction	80%	80%	10	10	\$4,784	\$4,784
Patient Access						
Managing Care						
Coordinating Care						
Office Staff Services						
Patient Recommends Doctor						
Utilization						
Generic Drug Prescription Rate	58%	64%	30	20	\$14,352	\$9,568
Encounter Data						
E/M Encounters PMPY	2.1	2.0	15	15	\$7,176	\$7,176
Average Diagnosis Codes	1.9	1.5	15	15	\$7,176	\$7,176
% Valid Diagnosis Codes	99.8%	99.0%	10	10	\$4,784	\$4,784
			100	85	\$47,840	\$40,664

July 2004 Bonus Earned: \$20,822

December 2004 Bonus Earned: \$40,664

Total 2004 Bonus Earned: \$61,486

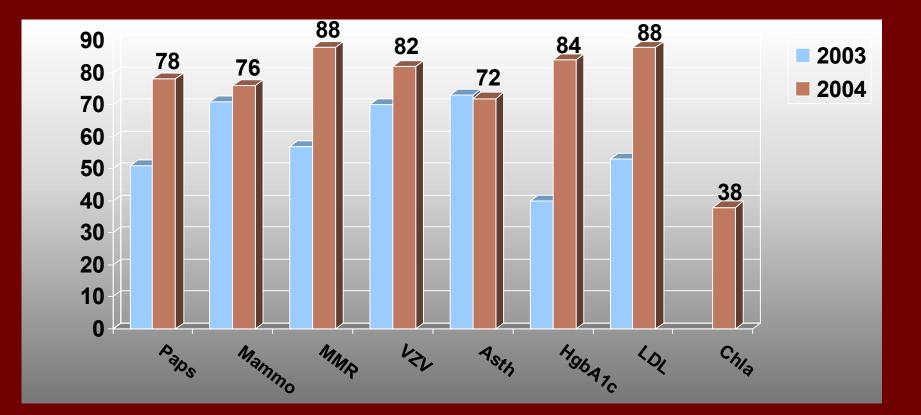
Patient Satisfaction Survey

ADULT PRIMARY CARE PATIENT SURVEY - COMMERCIAL

Doctor	Comm. Pts.	Pt. Recommends Dr.	Pt-Dr Interactions	Pt. Access	Coordinated Pt. Care	Pt-Dr Shared Decisions	Helpful Office Staff	Health Promotion
Monarch								
HealthCare	2,738	88.1	84.9	82.7	79.5	89.3	83.2	79.6
John Doe	38	97.4 •	87.4 •	87.1 🕓	85.4 •	87.5 💛	85.3 💛	81.5 🔾
Jane Doe	33	93.9 •	86.5 😐	78.8 🔾	78.7 🛛 💍	90.2 🛛	87.9 😑	80.4 💍
Mike James	34	78.1 •	78.9 •	82.9 💛	73.6 •	94.6 💛	77.7 •	86.2 🔾
Mary Lou Jones	38	92.1 •	94.4 🔺	80.3 🔍	82.1 •	98.6 🔺	77.7 🔻	86.2 •
Larry Johnson	48	95.8 •	93.1 🔺	83.8 🔍	851.0 •	95.8 🔺	86.5 🔍	91.9 🔺
Margaret Smith	46	100.0 🔺	87.4 •	77.2 🔻	70.3 🗸	85.1 💛	77.0 🔻	88.6 •

- Average
- Above Average
- **V** Below Average

Medical Group Results



Breast Cancer Screening

Name of Medical Group	Scored Lowest	Scored Average	Scored Highly	Scored Best
UCI Medical Group				
HealthCare Partners Medical Group				
Greater Newport Physicians Medical Group				
St. Jude Heritage Medical Group				
AMVI Medical Group				
Monarch HealthCare				
Edinger Medical Group				
Bristol Park Medical Group				
Mission Hospital Affiliated Physicians				
St. Joseph Heritage Medical Group				
St. Jude Hospital Affiliated Physicians				
St. Joseph Hospital Affiliated Physicians				
Talbert Medical Group				
Memorial HealthCare IPA				
Harriman Jones Medical Group				
Lakewood Health Plan				
Gateway Medical Group				
Professional Care IPA Medical Group				
Northwest Orange County Medical Group				
Prospect - Orange County				
Noble AMA Select IPA				
Affiliated Doctors of Orange County				
Genesis Healthcare				
Arta Health Network	Too few patients in sa	mple to report		
Exceptional Care Medical Group	Too few patients in sa			
Universal Care Medical Group	Too few patients in sa	mple to report		
Caremore Medical Group	Not willing to report			

Patient Rating of Care

\Rightarrow Poor \star Fair $\star \star$ Good $\star \star \star$ Excellent

Name of Medical Group	Coordinating Patient Care	Timely Care and Service	Getting Treatment and Specialty Care	Communicating with Patients
	Explore this category	Explore this category	Explore this category	Explore this category
Affiliated Doctors of Orange County	**	\star	*	$\star\star$
AMVI Medical Group	**	*	Too few patients in sample to report	*
Arta Health Network	Too few patients in sample to report	Too few patients in sample to report	Too few patients in sample to report	Too few patients in sample to report
Bristol Park Medical Group	**	**	**	**
Gateway Medical Group	$\mathbf{\hat{\star}}$	$\mathbf{\hat{\star}}$	*	★ ★
Greater Newport Physicians Medical			<u> </u>	
Group	XXX	XX	××	××
Harriman Jones Medical Group	**	Δ	*	**
HealthCare Partners Medical Group	**	**	**	**
Lakewood Health Plan	*	*	*	**
Memorial HealthCare IPA	**	*	**	**
Monarch HealthCare	**	**	**	**
Professional Care IPA Medical Group	*	*	*	**
Prospect - Orange County	\star	**	*	**
Southern California Permanente Medical	+	*	+	**
Group- LA			^	
St. Joseph Heritage Medical Group	***	**	**	***
St. Joseph Hospital Affiliated Physicians	**	*	**	***
St. Jude Heritage Medical Group	**	**	**	***
St. Jude Hospital Affiliated Physicians	*	**	**	**
Talbert Medical Group	*	*	*	**

Was it worth it?

<u>Cost</u> difficult to quantify

- Hill doesn't have a dedicated team for PFP: it is integrated into our ongoing clinical interventions, not limited to PFP clinical areas
 - Health Data Analysis
 - Clinical Support
 - Integrated Health
 - Health Education
 - Quality Management
- Letters/postage
- Return difficult to quantify
 - Total dollars vs. PMPM change
- What if we don't participate?

\$30,000

PFP Has Enhanced Quality Care

- Good things are happening
- PFP has created a business case for quality
- Payment for performance justifies the investment in IT systems to facilitate the flow of information
- Identify and monitor populations of patients in need of clinical intervention focusing clinical efforts
- Enhanced quality of care is the outcome