# The California

# *Pay for Performance* Program

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# *National Perspective*

Med-Vantage, Inc. National P4P Survey

| | 2004 | 2005 |
|---|---|---|
| Commercial Health Plans | 59 | 73 |
| Employer | 6 | 7 |
| Medicaid Only | 10 | 13 |
| Government | 5 | 8 |
| Other | 4 | 6 |
| TOTAL | 84 | 107 |

# *National Perspective*

- Institute of Medicine (IOM) Performance Measurement Report and subcommittee on pay for performance
- CMS voluntary physician performance reporting initiative
- Principles and standards for pay for performance – AMA, JACHO, AAFP and many other organizations

# *IHA Sponsored Pay for Performance (P4P) Program*

The goal of the IHA P4P program 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 Physician Groups – Who's Playing?*

## Health Plans*

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

## Medical Groups/IPAs

- 225 groups / 35,000 physicians

**6.2 million HMO commercial enrollees**

* Kaiser Northern California participated in the 2005 scorecard

# *Organizing Principles*

- New measures are tested and put out for stakeholder comment prior to adoption
- Data collection is electronic only (no chart review)
- Data from all participating health plans is aggregated to create a total patient population for each physician group
- Reporting and payment at physician group level
- The financial incentives are paid directly by health plans to physician groups

# *Measurement Domain Weighting*

| | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|
| **Clinical** | 50% | 40% | 50% | 50% |
| **Patient Experience** | 40% | 40% | 30% | 30% |
| **IT Investment** | 10% | 20% | 20% | 20% |
| **Individual Physician Feedback program** | | | **x** | **x** |
| **Improvement** | | | | **x** |

# *Public Scorecard*

IHA partnered with California State Office of the Patient Advocate (OPA) on a public scorecard:

- widely disseminated
- web-based and print versions
- “consumer friendly”
- non-English availability

# *Web-based Score Card*

| Rating Key | Excellent ★★★ | Good ★★ | Fair ★ | Poor ☆ |
|---|---|---|---|---|

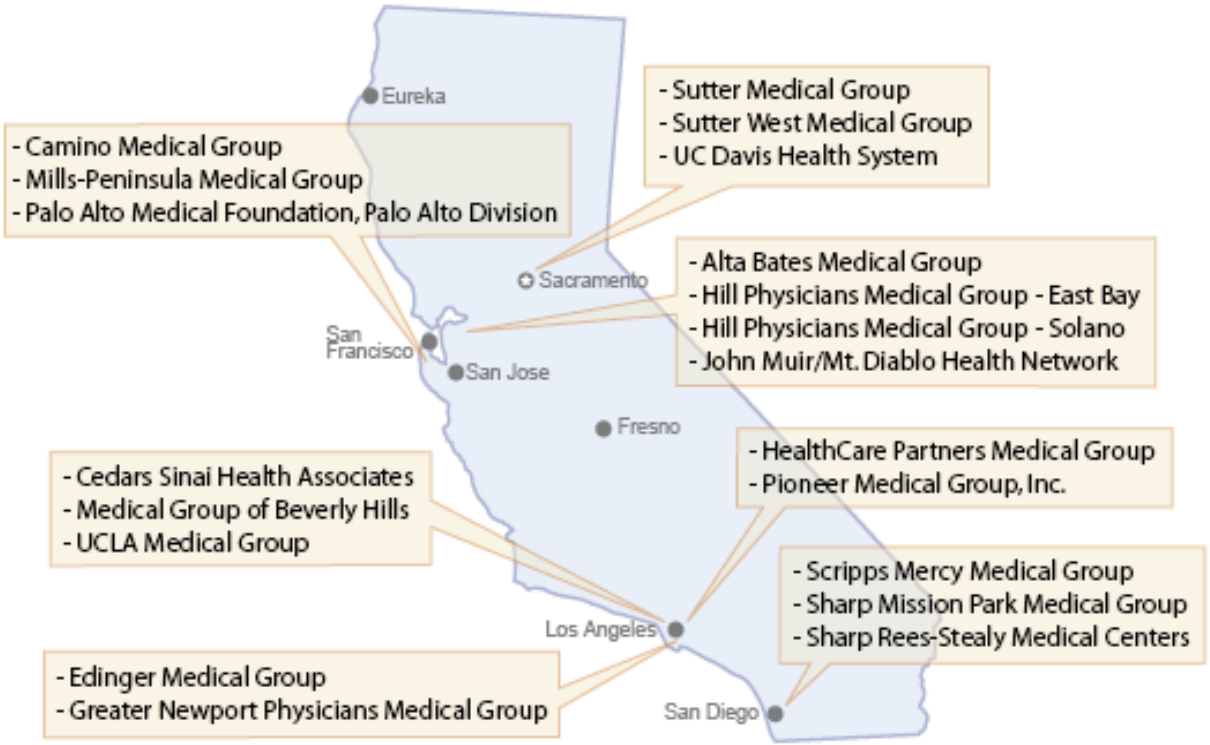
| | Medical Group Ratings | |
|---|---|---|
| California Medical Group | Getting the Right Medical Care | Patient Rating of Care Experiences |
| Medical Group A | ★ | ★★ |
| Medical Group B | ★★ | ★★ |
| Medical Group C | ★★ | ★ |
| Medical Group D | ★★★ | ★★ |
| Medical Group E | ★★ | ☆ |
| Medical Group F | ★★ | ★★ |

www.opa.ca.gov

# *Print Copy Score Card*

## California's Top Rated Medical Groups

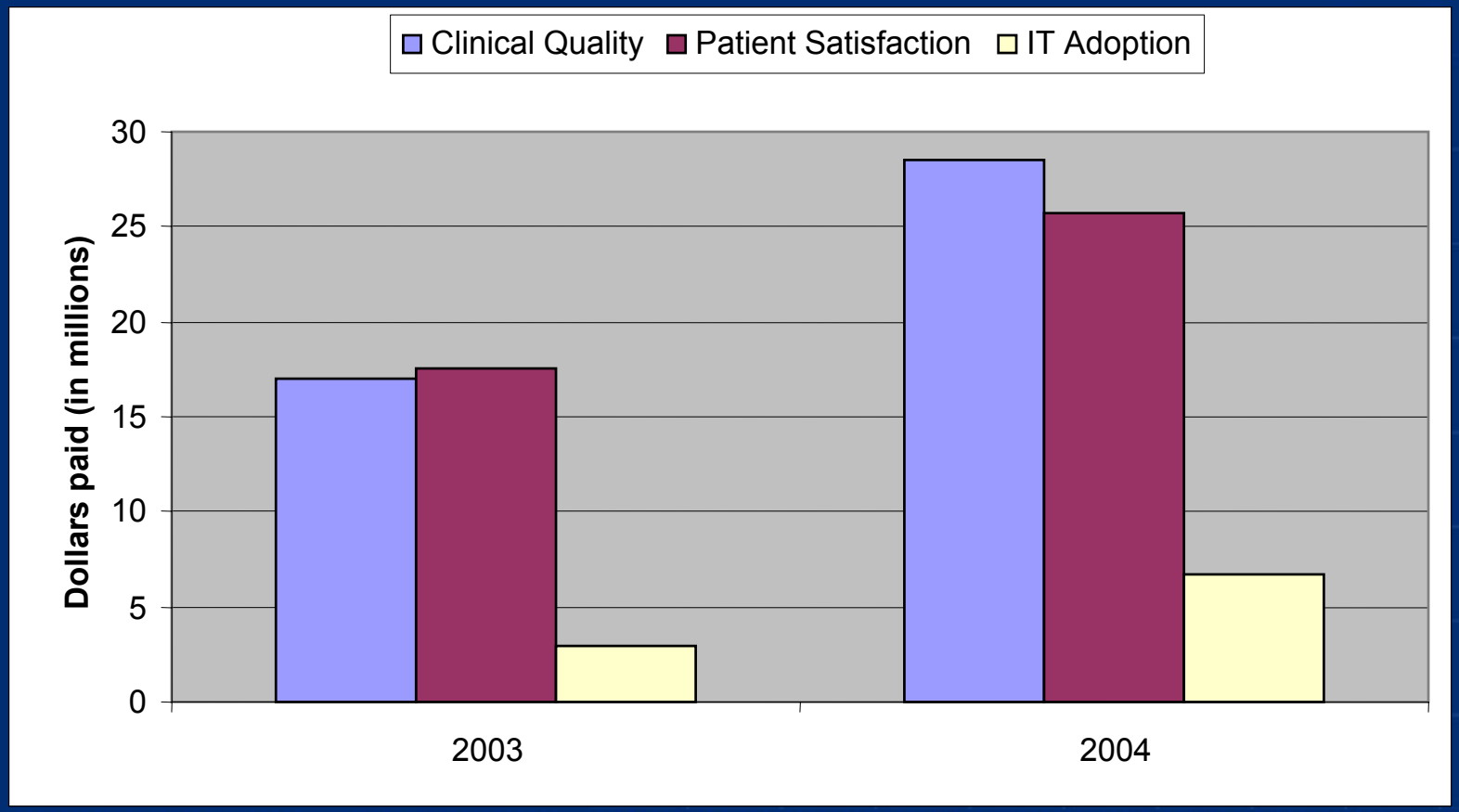
Of more than 200 California medical groups, these twenty were rated highest based on providing recommended care and patient satisfaction. See how your doctor's medical group compares at hmoreportcard.ca.gov.



# *Health Plan Payments*

- Each health plan determines their own reward methodology and payment amount to comply with anti-trust regulations
- Most plans pay on relative performance, after meeting thresholds
- $37.4 million total paid out in 2004; estimate $60 million total paid out in 2005

# *Total Incentive Payments by Domain by Year*



# *The Power of Data Aggregation*

Aggregating data across plans creates a larger denominator and allows valid reporting and payment for more groups

| Health Plan Size | # of Health Plans | % physician groups with sufficient sample size to report all clinical measures using *Plan Data Only* | % physician groups with sufficient sample size to report all clinical measures using the *Aggregated Dataset* |
|---|---|---|---|
| < 500K members | 3 | 16% | 70% |
| >1M members | 4 | 30% | 65% |

# *Results: Improvement in all Measures*

- Clinical improvement is widespread
  - 87% of physician groups improved their clinical average by an average of 5.3 percentage points
- Patient experience improved across a broad spectrum of physician groups
  - 65% of physician groups improved their patient experience average performance
- Improvement in IT Adoption is most notable
  - 34% of physician groups who reported no IT capability in 2003 received partial or full credit in 2004

# *Clinical Improvement is Widespread*

Clinical Measure Improvements from 2003 to 2004

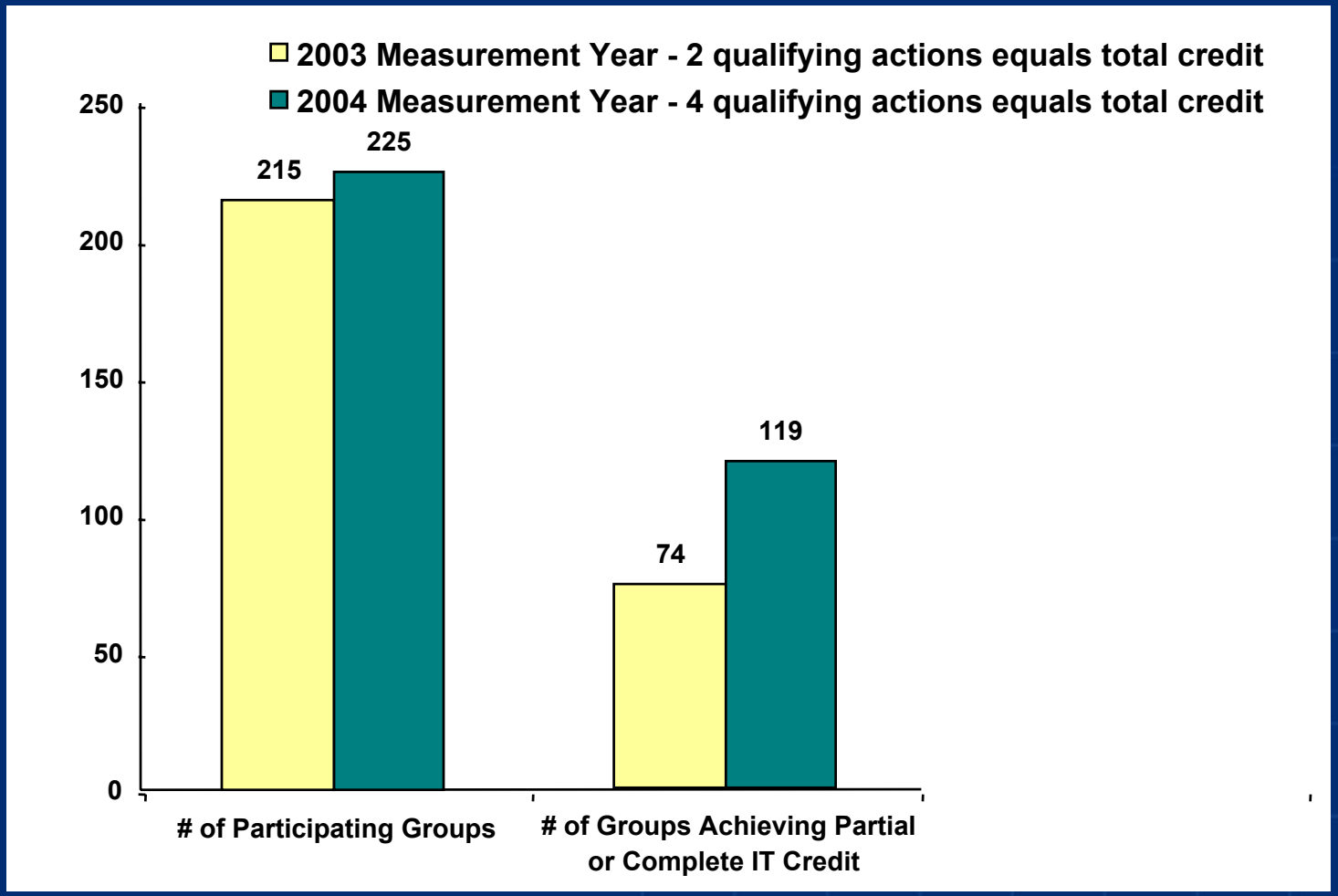
| Measure | Number of Groups | Number of Groups Improving | Pct of Groups Improving | Average Change |
|---|---|---|---|---|
| **Clinical** | | | | |
| Clinical Average | 46 | 40 | 87.0 | 5.3 |
| Breast Cancer Screening | 167 | 94 | 56.3 | 1.1 |
| Cervical Cancer Screening | 168 | 130 | 77.4 | 5.4 |
| 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 Improvement is Broad*

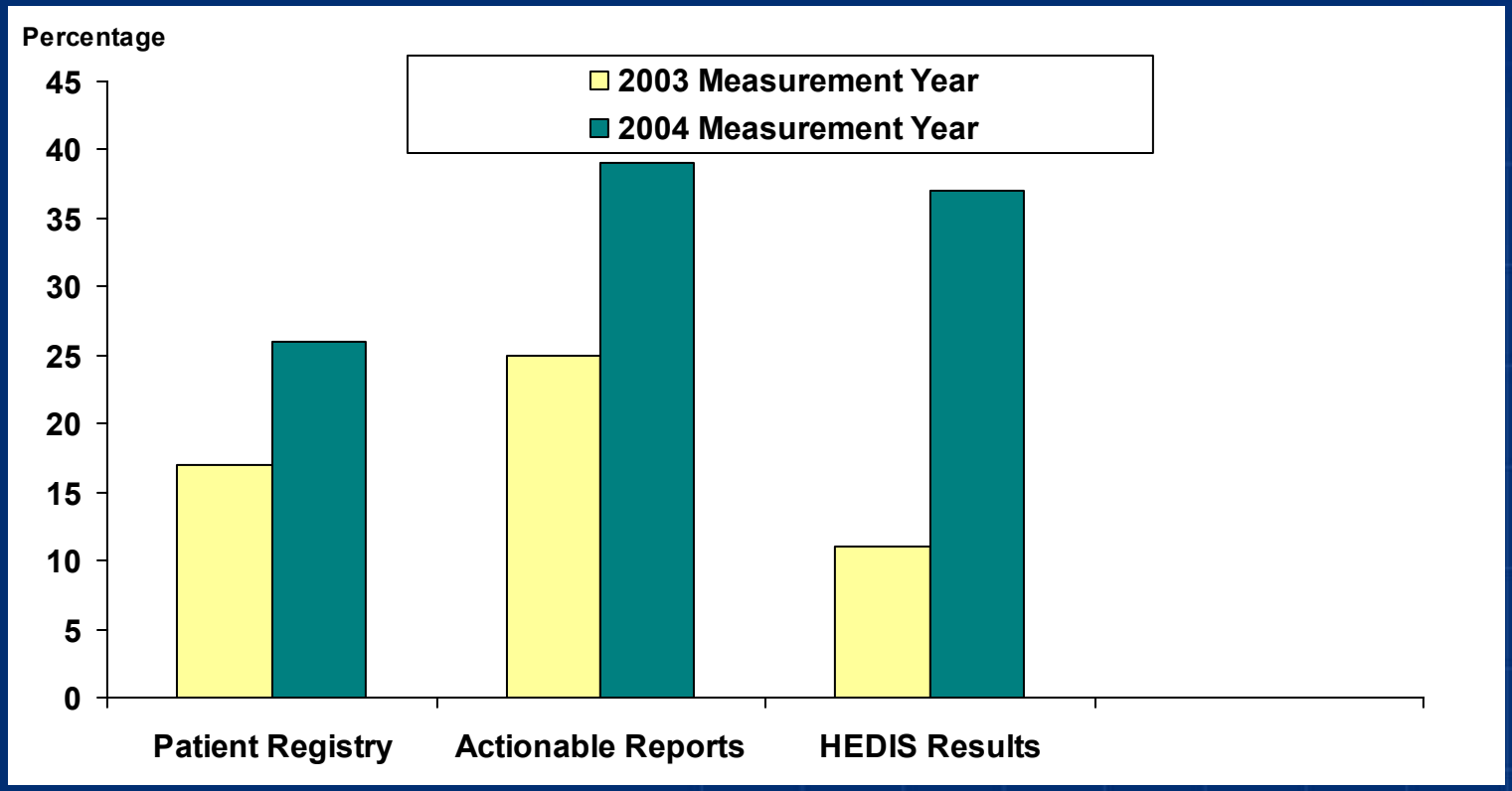
Patient Experience Measure Improvements from 2003 to 2004

| 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 |

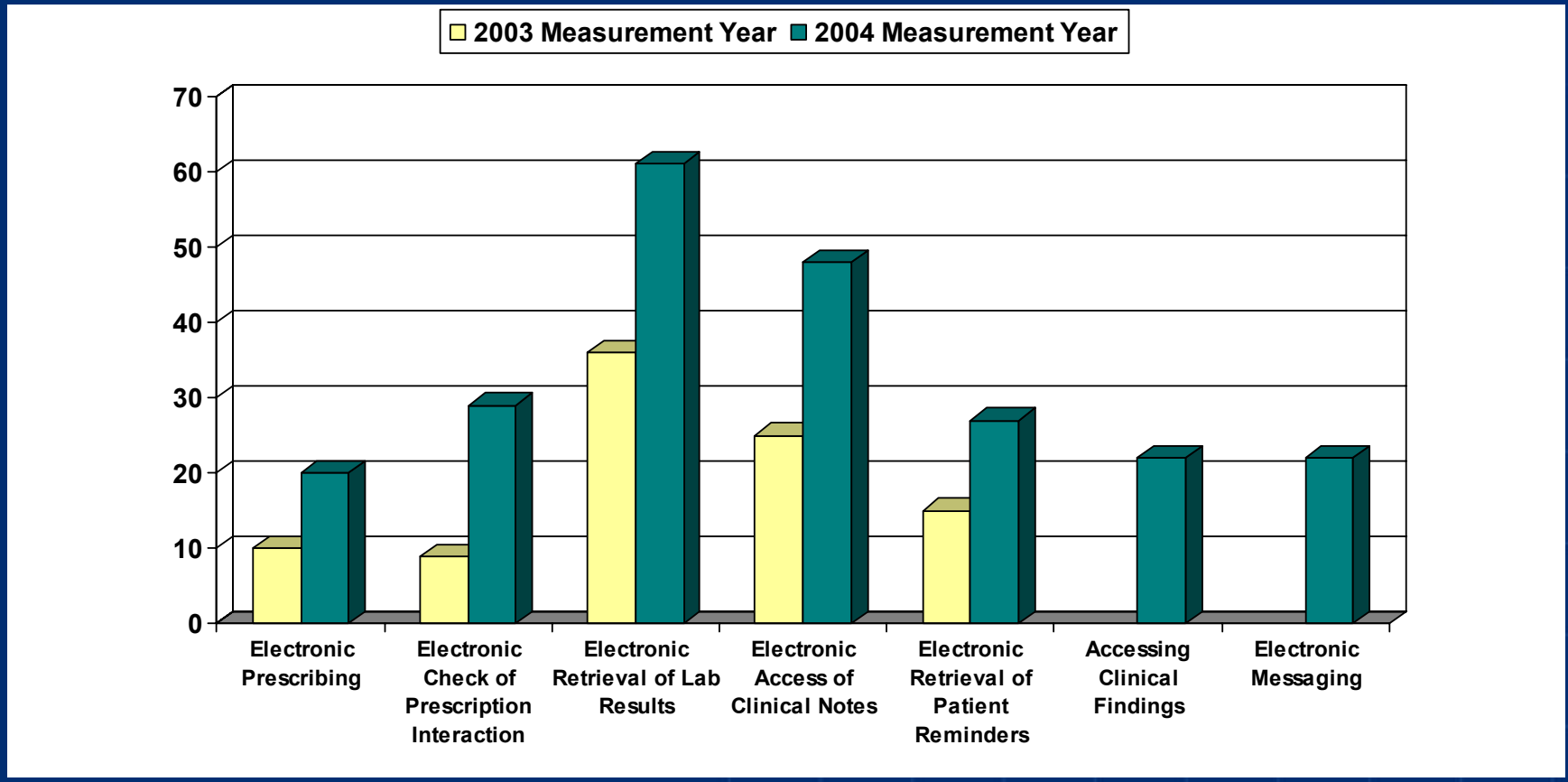
# IT Performance Improvement is Notable



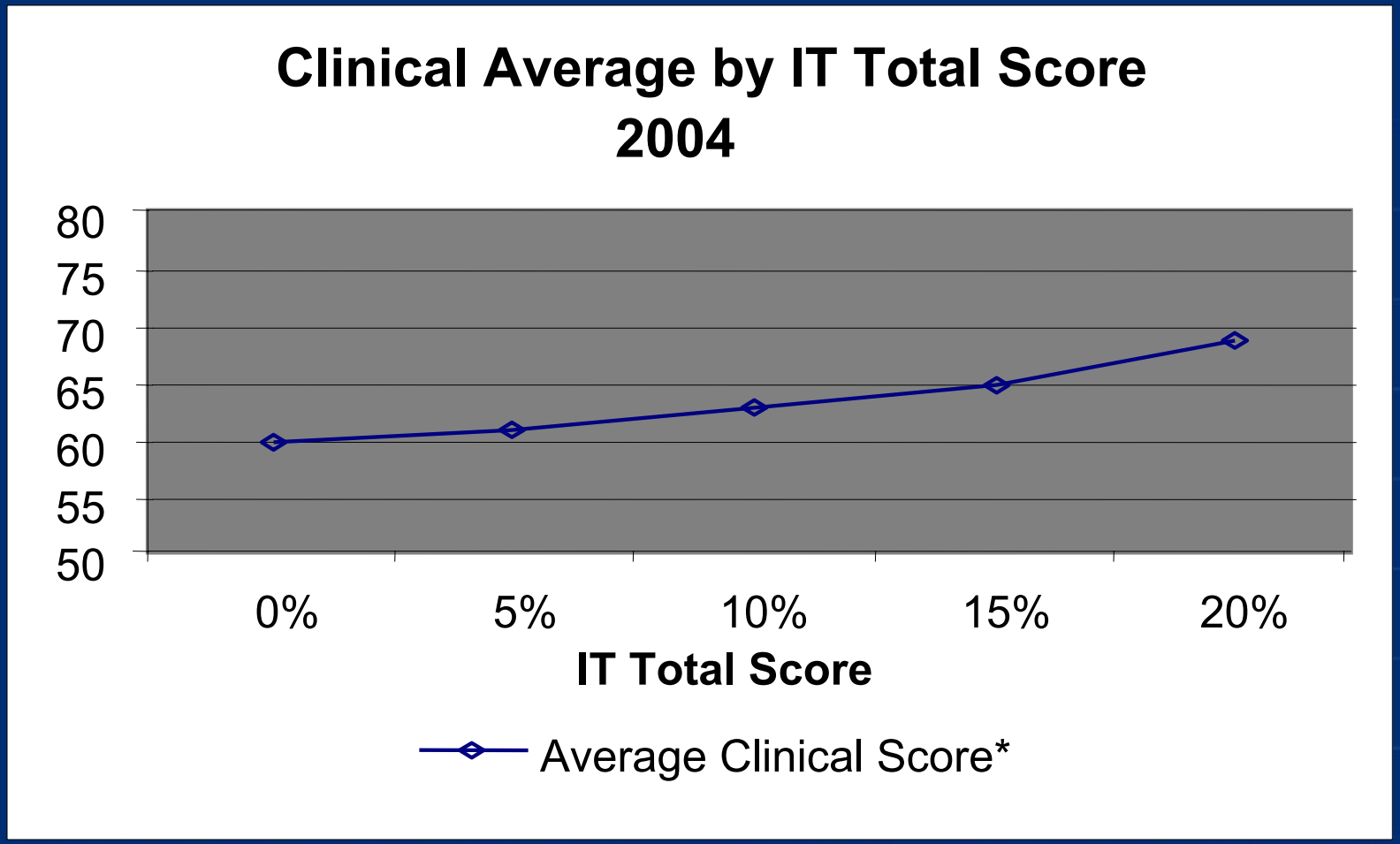
# *Integration of Clinical Electronic Data Sets*



# *Point-of-Care Technology*



# *Correlation Between IT Adoption and Clinical Quality*



# *Program Evaluation*

**Five year evaluation funded by the California Healthcare Foundation:**

- **RAND and U.C. Berkeley Haas School of Business**
- **Physician group leadership survey**
- **Multi-year evaluation of the impact of pay for performance on clinical, patient experience and information technology improvements**

# *Lessons Learned*

## #1: Building and maintaining trust

- Neutral convener and transparency in all aspect of the program
- Governance and communication includes all stakeholders
- Independent third party (NCQA) handles data collection

## #2: Securing Physician Group Participation

- Uniform measurement set used by all plans
- Significant, incentive payments by health plans and public reporting

# *Lessons Learned*

## #3: Securing Health Plan Participation

- Measure set must evolve
- Efficiency measurement essential

## #4: Data Collection and Aggregation

- Facilitate data exchange between groups and plans
- Aggregated data is more powerful and more credible

# *Key Issues Ahead*

- Increase incentive payments
- Develop and expand measure set
  - Incorporate outcomes and specialty care
  - Apply risk adjustment
  - Add efficiency measurement
- Include Medicare Advantage

# California *Pay for Performance*

For more information:

www.iha.org

(510) 208-1740

*Project funding for IHA Pay for Performance comes from the California Health Care Foundation*