Precon II PFP Boot Camp for Physicians, Payers and Coalitions

Sponsored by
Integrated Healthcare Association
and Bridges to Excellence

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INTEGRATED HEALTHCARE ASSOCIATION

Pay for Performance:
REPORTING RESULTS

Precon II Goals

- Describe IHA and Bridges to Excellence programs
- Provide detail on key PFP program components:
  - Measurement
  - Data Collection
  - Payment and Reporting
- Address specific questions/issues

Precon II Agenda

8:30 IHA and Bridges to Excellence Rewards Programs: Background and Overview

9:15 Performance Measurement Sets

10:00 Break

10:15 Data Collection and Reporting Results

11:00 Incentive Payments and Public Reporting

IHA and Bridges to Excellence Rewards Programs: Background and Overview

Tom Williams, Executive Director, IHA
Jessica DiLorenzo, Team Leader, GE

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

Goal of IHA P4P

As established by P4P stakeholders in 2001, 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

- 225 groups / 35,000 physicians

6.2 million HMO commercial enrollees

* Kaiser Northern California participated in the 2005 scorecard

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 group
- Financial incentives are paid directly by health plans to physician groups

Program Governance

Core principle: *P4P is accomplished through purchasers, health plans, physician groups and consumers working together.*

- Steering Committee – determine strategy, set policy
- Technical Committee – develop measure set
- IHA – facilitates governance / project management
- Sub-contractors
  - ✓ NCQA/DDD – data collection and aggregation
  - ✓ NCQA/PBGH – technical support

Multi-stakeholders "own" the program

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			10% "extra credit"	10% "extra credit"
Improvement				**X**

Public Scorecard

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

- print and web-based versions
- widely disseminated at local pharmacies and libraries
- "consumer friendly"
- non-English availability

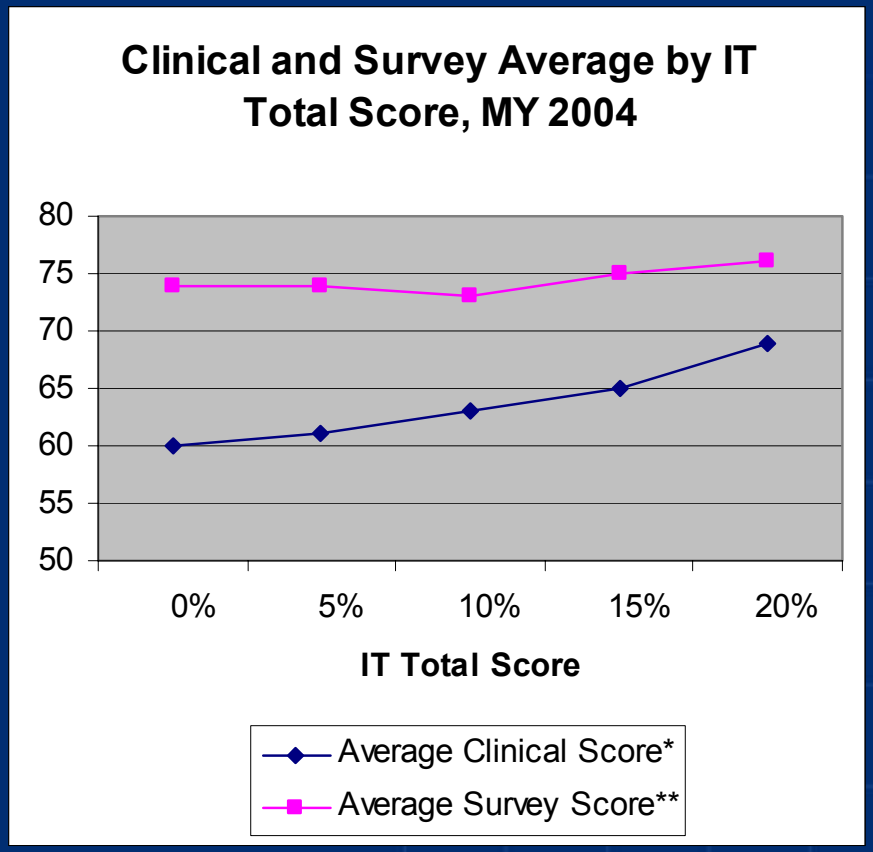
Health Plan Payments

- 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 paid out in 2004; estimate $60 million in 2005

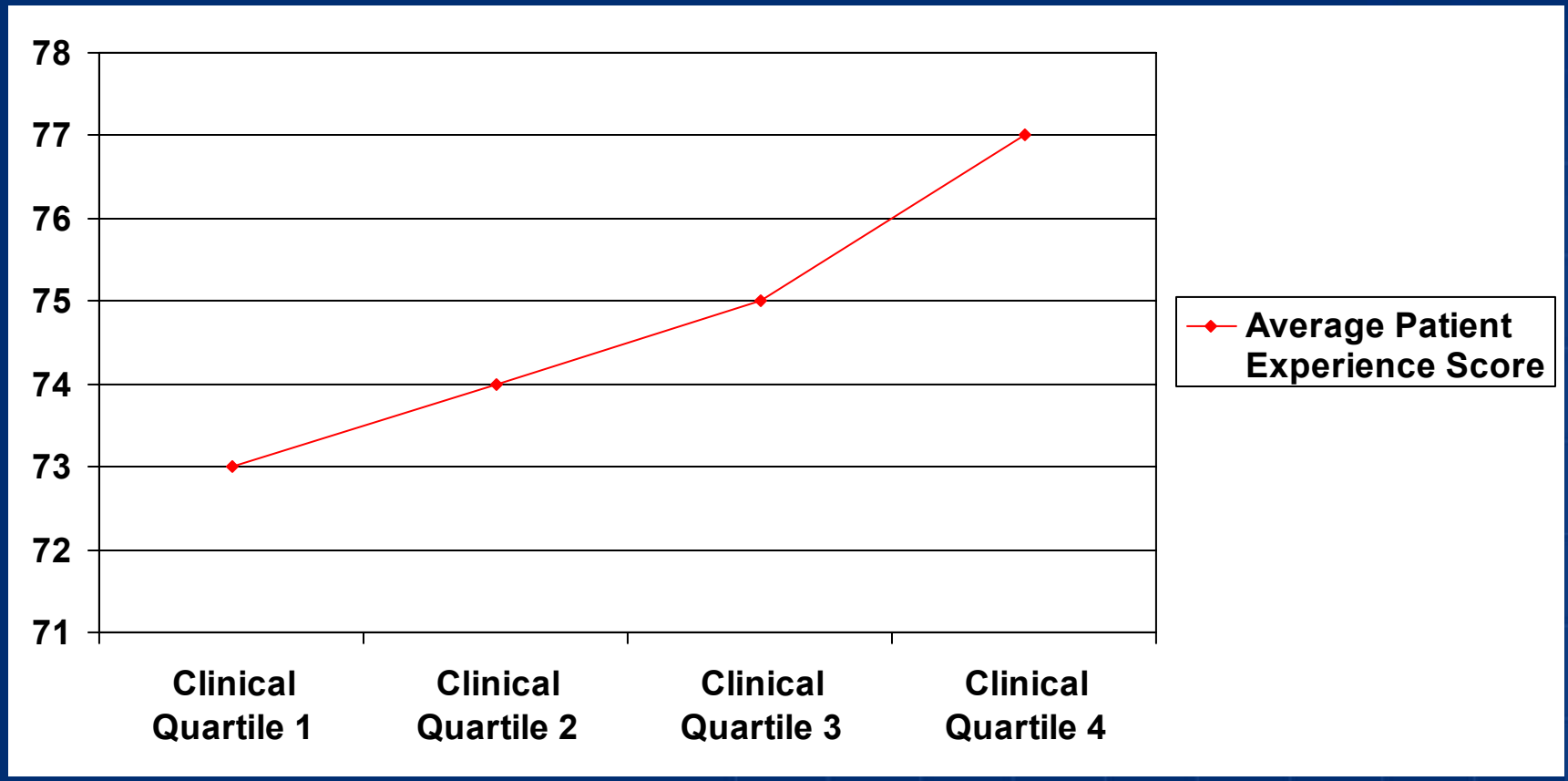
Results: Improvement in all Measures

- 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

Correlation Between IT Adoption and Clinical Quality



Correlation Between Clinical Performance and Patient Satisfaction



Results: Engagement of Physician Groups

- High degree of engagement by leading groups
- Significant adoption of patient registries (over 1/3 of P4P member population)
- Patient outreach
  - Patient reminders/increased screenings
  - Educational materials
- Greater attention to patient satisfaction
- Chronic Care Management Programs

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

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

Administrative Costs and Funding

The following program components require funding:

1. Technical Support – measure development and testing
2. Data Aggregation – collecting, aggregating and reporting performance data
3. Governance Committees – meeting expenses and consulting support services
4. Stakeholder Communication – web casts, newsletters and annual meeting
5. Program Administration – direct and indirect staff and related expenses
6. Evaluation Services – program evaluation and consultative services

Key Issues / Considerations

- Measure at individual or physician group level?
- Electronic data only or chart review?
- Sample size?
- Measure selection?
- How much to pay?
- Funding administrative expenses?