

Incentive Payments and Public Reporting

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Methodology Considerations

- Relative vs. absolute performance
 - Grading on the curve vs. grading against a benchmark
- Withhold with potential to earn back based on performance
- Bonus on top of regular pay
- Variable fee schedule
- Upside potential and/or downside risk
- Administrative privileges

Payment Methodologies

	Maximum Bonus Potential or Size of Bonus Pool	Payment Threshold
Plan 1	\$2.00 - 3.00 pmpm maximum, depending on contractual arrangements	Absolute threshold based on previous year's performance; 75 th percentile earns 50%; 85 th percentile earns 100%
Plan 2	\$2 million	75 th percentile & up on each measure
Plan 3	\$4 million	Above 50 th percentile for each measure; higher score = higher payment
Plan 4	\$2.25 pmpm maximum + 10% bonus if Group has individual MD bonus plan	Absolute thresholds based on employer performance guarantees for each measure
Plan 5	\$2.00 pmpm maximum	30 th , 50 th , & 75 th percentile earns 25%, 50%, 100% payment for each measure
Plan 6	\$4.50 pmpm maximum	20 th , 40 th , 60 th & 80 th percentile earns increasing payment

Note: Exact reward methodology and payment amount determined by each Health Plan

Year 1 Plan P4P Payouts

Plan	Total Payout	PMPM Payout	% PMPM Capitation*
Plan 1	\$1.44 M	\$.09	0.2%
Plan 2	\$2.0 M	\$.54	1.0%
Plan 3	\$4.4 M	\$.85	1.5%
Plan 4	\$5.25 M	\$.34	0.6%
Plan 5	\$9.6 M	\$.67	1.2%
Plan 6	\$14.7 M	\$.80	1.5%
	\$37.4 M (total)	\$.55 (average)	1.0% (average)

* Note: Based on estimated \$55 PMPM capitation rate

Funding the “Pay” in P4P

- Physician group leaders report a negative ROI to date for P4P investments
- Physician groups leaders expect ROI to turn positive, assuming greater payouts in the future
- Health Plans continue to support payments, however must see impact on efficiency (resource use) to warrant continued and increased payment levels

Public Reporting: Non-Financial Incentive

- Web-based score card produced by the State Office of the Patient Advocate
- Consumers can search by county to see performance of all physician groups in their area
- Drill down feature to see performance on specific clinical measures

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	★★	★★		

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Drill Down Feature

San Fernando, San Gabriel and West Los Angeles

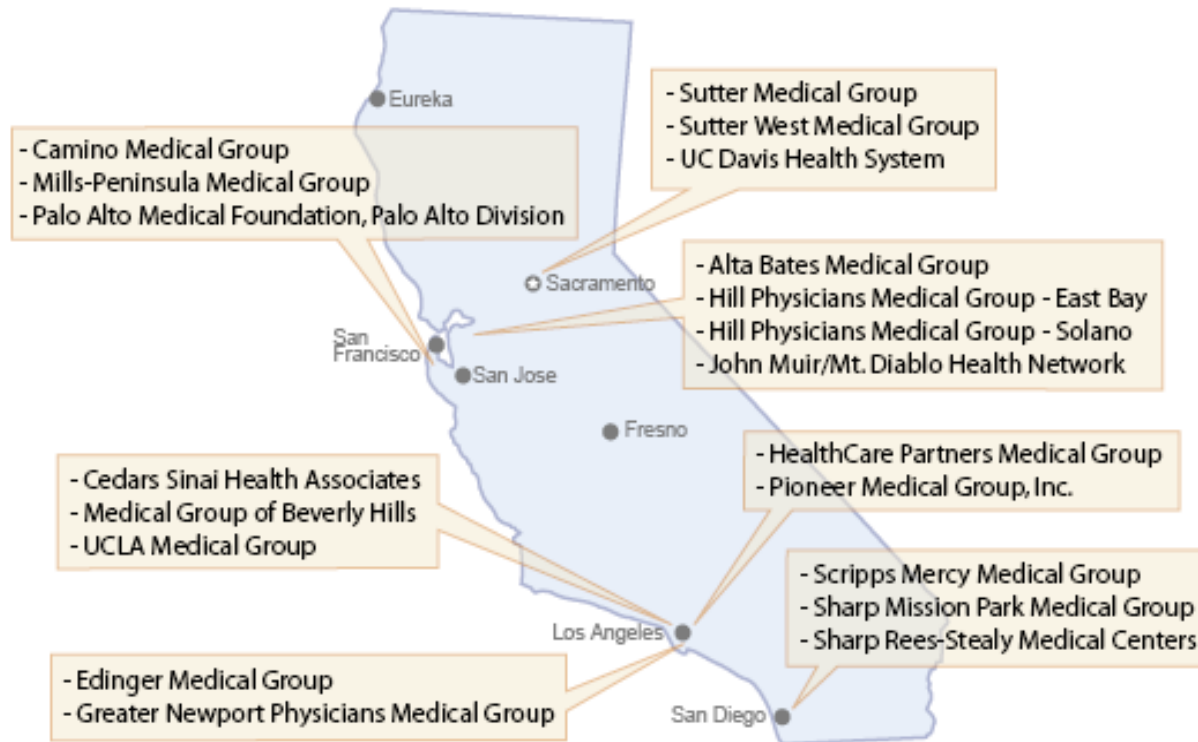
Medical Group	Overall Rating of Care	Timely Care and Service	Getting Treatment and Specialty Care	Communicating With Patients
Medical Group	☆	☆	☆	☆
Medical Group	★★	★★	★★	★★★★
Medical Group	★	★	★	★★
Medical Group	★	★	★	★★
Medical Group	★	☆	★	★★
Medical Group	★	★	★	★★
Medical Group	★★	★★	★	★★
Medical Group	☆	☆	★	★
Medical Group	★	☆	★	★★
Medical Group	★	★	★	★★
Medical Group	★	★	☆	★★
Medical Group	★	★	★	★★
Medical Group	★	☆	Not rated	★★★★
Medical Group	★	★	★	★★
Medical Group	★	★	★	★★
Medical Group	☆	☆	★	★
Medical Group	★★	★★	★★	★★★★
Medical Group	★	★	★	★★

Ratings Key Excellent ★★★★★ Good ★★★ Fair ★ Poor ☆
 "Not rated" means the medical group had too few patients in the sample to report this result.

Hard 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.



Lessons Learned

#1: Building and maintaining trust

- Neutral convener
- Transparency in all aspects of program
- Governance and communication includes all stakeholders
 - Natural “tensions” between stakeholders creates accountability
 - Freedom to openly express ideas and concerns
- Data collection and aggregation done by independent third party

Lessons Learned

#2: Securing Physician Group Participation

- Uniform measurement set used by all plans
- Significant, sustained incentive payments by health plans
- Public reporting of results

#3: Data Collection and Aggregation

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

IHA Pay for Performance

For more information:

www.ih.org

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