

Blue Shield of CA Value Based P4P Program: First Year Experience

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Neil A. Solomon, MD
VP, Quality and Care System Transformation
Blue Shield of California

Key Changes From Prior Blue Shield Program

- Total Cost of Care Requirement
- ARUs now offset
- Quality metrics have more complicated formula and no longer represent standalone payment
 - Payments no longer additive between Quality and ARU
- No cap on total payouts

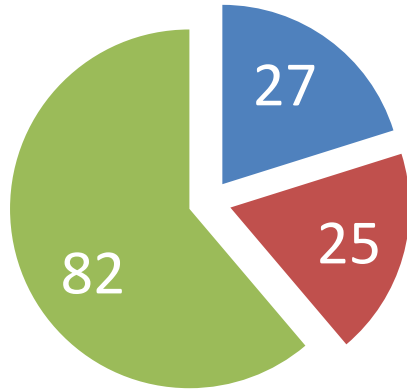
Results Turned Out Just As Predicted

- In 2012 Blue Shield modeled the VBP4P on our 2010 data to forecast how the revised program would turn out. This was shared with IHA other stakeholders.
- Slight differences in rules and data available, but essentially same as 2014 program.
- Payouts and percent of provider groups receiving payouts similar between prediction and actual.

	2012 prediction	MY 2013 outcome
Total payout	\$7M	\$8M
% of POs that would achieve	34%	39%

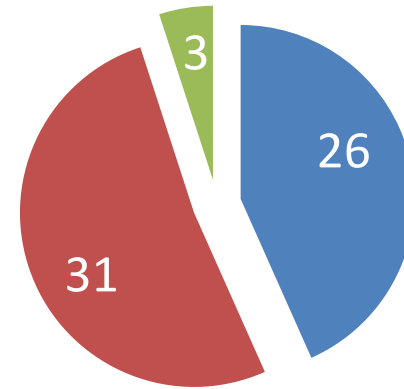
How the Provider Groups Fared

Overall Breakdown



- Earned higher incentive than last year
- Earned lower incentive than last year
- Did not earn incentive

Missed Gates



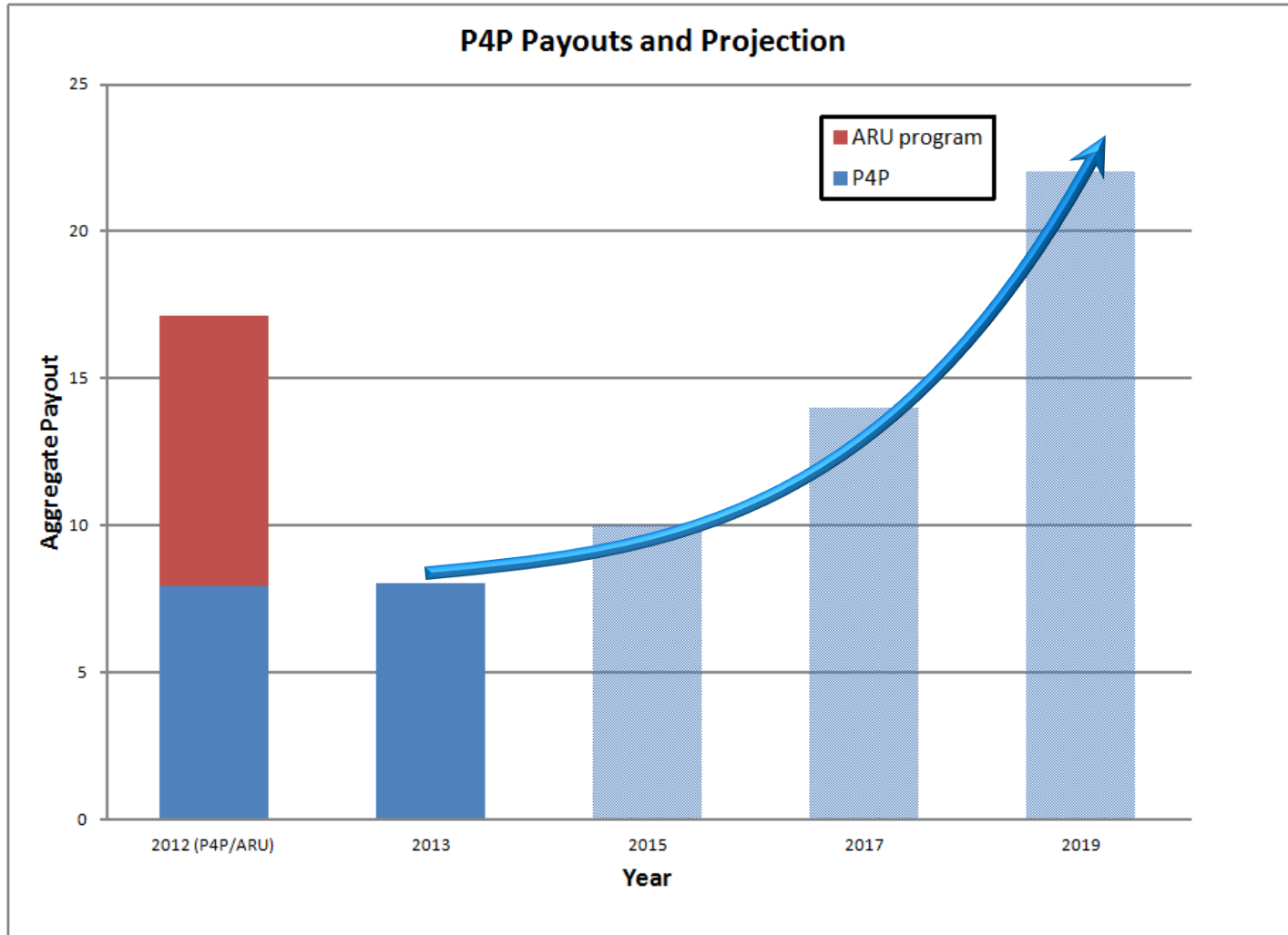
- Didn't meet quality gate
- Didn't meet TCC trend gate
- Didn't meet both gates

54 Provider Groups did not have net ARU savings (28 did meet both gates)

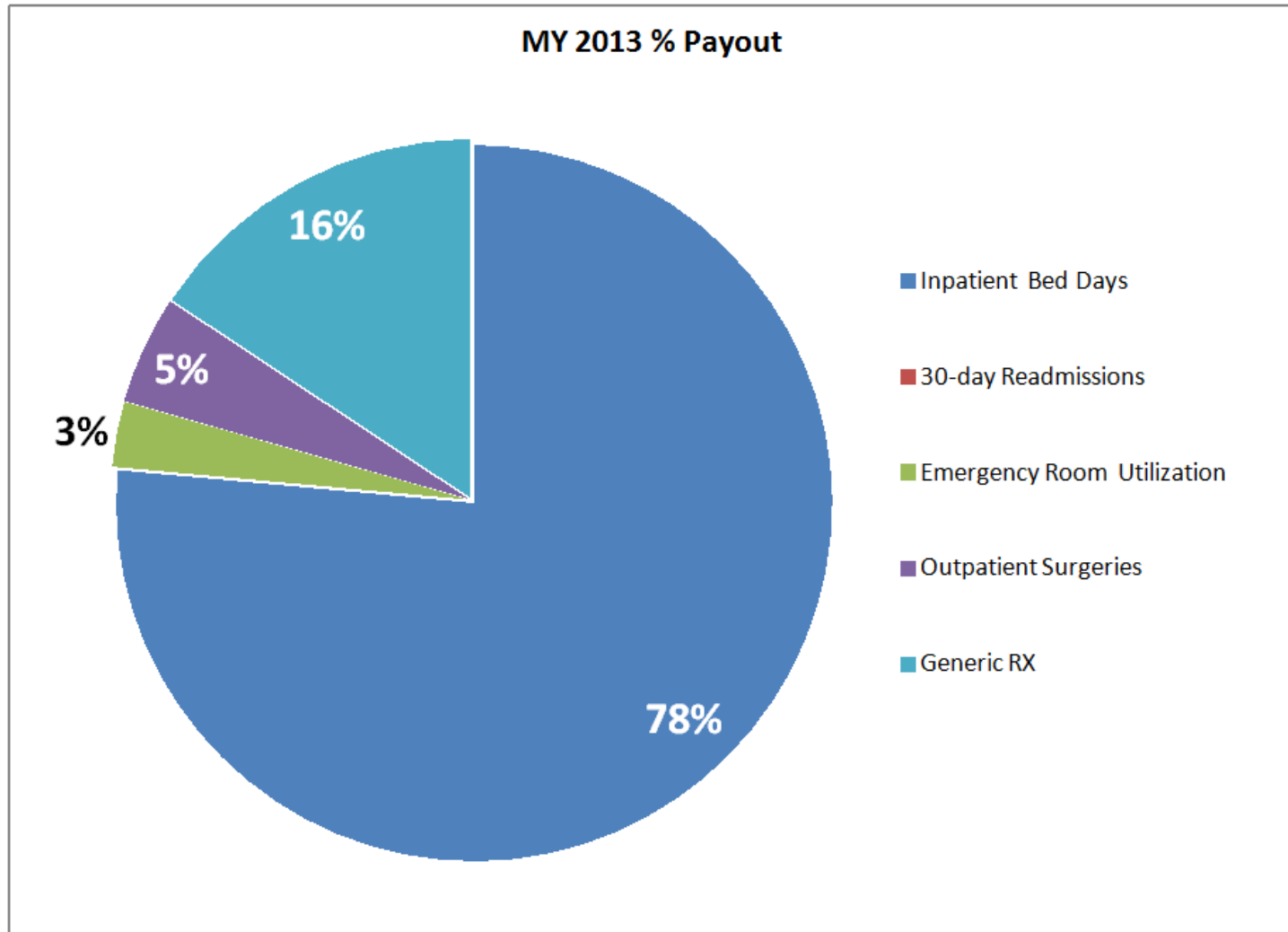
Key Takeaways:

- Equal cost and quality barriers
- Precondition gates and Net ARU requirements proved equally challenging

Payouts Have Potential to Rise



Most of the Rewards Earned from Bed-Days



Path to Success in IHA VP4P

- Focus on improving appropriate resource use measures, especially bed days
- Be sure to meet the Total Cost of Care trend and Quality performance requirements
- Maximize Quality score to increase multiplier
- Track and monitor encounter submission and diagnosis coding

Blue Shield's Internal Experience

- Benefits and liabilities of going first!
- Lots of incremental decision required to implement the specifications; all require time
- Need to retrain internal staff
- Need to develop new materials for providers
- Didn't get much credit from provider community, especially for those whose payments went down

Next Steps

- Better reporting and greater transparency
- Tools to help provider organizations succeed
- Determination how to overlay with ACO incentive programs
- Continued assessment of program success

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