# Impact of P4P:

## Are There Improvements in Cost and Care?

The National Pay for Performance Summit
The Beverly Hilton Hotel
February 15, 2007
Kathleen Curtin

# Agenda

- Introduction – The Importance of Improvements
- Examples of Progress in P4P
- P4P Program Assessments Reported to Date
- Challenges Ahead
- Recommendations for the Future

# What is P4P?

- Performance Measurement for Providers
- Transparency for Consumers
- Tools for Provider and Patient Improvement
- Electronic Health Records for Providers
- Personal Health Records for Consumers
- Value – based Payment for Providers
- Cost Containment for Consumers
- Aggregate Information and Business Case for Shared Savings for the Healthcare System

# P4P is a Driver of Innovation

# The Importance of Improvements

- Do No Harm
  - Burning Platforms in Care and Cost

    Escalating cost, uninsured, quality/safety gaps, public health
  - **Add NO cost without improvement**
- Opportunity for Systematic Innovation
  - Ineffective payment system
  - Multiple information sources, repositories
  - Limited interoperable digital information
  - Users without useful data at point of care

# Progress: Recent Events

- Presidential Executive Order on Quality and Efficiency
- NCQA and AMA are developing specialty measures
- NCQA has proposed efficiency measures
- NQF and AQA are standardizing measures
- CMS P4P Projects: Premier Hospital, Physician Group Practice Demo, AQA Pilot in 5 States
- Laurels
  - Public reporting in California, Mass, Maine, Minn, etc
  - IOM Report calls for Pay for Performance, again
  - Employers require/or deliver performance information

# Progress: Program Elements

- Measures – Primary Care and Specialty
- Reporting Measures and Registry by Paper and Web
- Scoring Methods and Incentive Programs
- Physician Engagement
- Commitment to Tools for Improvement
- Alignment with Developing Standards
  - NQF/AQA Quality Measures
  - NCQA Efficiency Measures
- Recognition of the Need to Aggregate Across Payers

# Progress: Measurement Principles

- Balance Scorecards
  - Care: Evidenced – based or specialty supported measures
  - Cost: ETG – based measures
  - Patient Experience
  - IT Adoption
- Replicable, Reliable, and Valid
  - Standardization of the measures and reporting rules
  - Analysis of frequency and variation
  - Risk adjust clinical outcome and cost measure
- Feasible
  - Administrative data – Claims, LOINC, Pharmacy, Rad
  - Integration of EMR data
- Actionable
  - Patient detail to practitioners and consumers

# Progress: Statewide Reporting

## MAINE

SHOW ○ Maine Hospitals or ◉ Maine Doctors within 10 miles of [zip code]

View Results

SEE ALSO: NEW! Maine Hospital Clinical Quality

brought to you by:

| Primary Care Practice [about this] | 1. Uses SYSTEMS to Manage Patient Information [about this] | 2. Follows Clinical GUIDELINES [about this] | 3. MEASURES Results of Patient Care [about this] |
|---|---|---|---|
| [sort by] Practice Name [sort by] Location | Summary show detail » | Summary show detail » | Summary show detail » |
| Dr. Richard Dubocq Albion | | ★ | |
| Lovejoy Health Center Albion | | ★ | |
| Horizons Ashland Health Center Ashland | | | |
| Court Street Family Practice Auburn | ★ | | |
| Dr. Kurt Oswald Auburn | ★ | | |
| Dr. Margaret Matthews Auburn | | ★ | |
| Family Health Care - Auburn Auburn | ★ | ★ | ★ |
| L-A Internal Medicine Associates Auburn | ★ | ★ | ★ |
| Second Street Family Practice Auburn | ★ | ★ | |
| Primary Care Practice [about this] | 1. Uses SYSTEMS to Manage Patient Information [about this] | 2. Follows Clinical GUIDELINES [about this] | 3. MEASURES Results of Patient Care [about this] |
| [sort by] Practice Name [sort by] Location | Summary show detail » | Summary show detail » | Summary show detail » |
| Augusta Family Physicians Augusta | ★ | ★ | ★ |
| Capital Family Practice Augusta | ★ | ★ | ★ |
| Dr. Roger Hall Augusta | | ★ | |

# Reporting: Health Plans

My Profile | Printable Page | Log Out | Help

*My Profile*

P4PScore | Funding | Scoring | Search Provider | Search Registry | Set-up &

Start | Previous Screen | My Profile > Overall Performance > Clinical Quality > Clinical Quality Detai

**Clinical Quality - Baseline Lipid Profile In Those Over 35 With High Risk C**

Report Period: June 2003 - July 2005
# of Patients Met Goal: 293
Patient Goals:: < 130

Compare Selected | Print Selected

| Select | Patient ID | Patient Name (Service / Rx History Details) | Sex | DOB | Street Address | City |
|---|---|---|---|---|---|---|
| ☐ | 49493826 | Kim Jones | F | 3/22/1978 | 1456 Maple Street | Bentc |
| ☐ | 49423426 | Peter Hankins | M | 5/18/1958 | 1254 Houston Street | Bentc |
| ☐ | 897693826 | Jurad Malawi | M | 9/4/1954 | 89 Reconcile, #322 | Bentc |
| ☐ | 89694316 | Anthony Baskins | M | 2/12/1969 | 129 9th Street, #435 | Bentc |
| ☐ | 7865826 | Ralph Sycamore | M | 1/9/1963 | 21 Fillmore Street | Bentc |

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*Patient Profile*

My Profile | Search Registry | Referral Support | Patient Search | Patient Risk Assessment | Patient Tools | Clinical Reference

Start | Previous Screen | Patient Profile

Patient Profile - Kim Jones

**Patient Demographic & Benefit Information**

| | | | |
|---|---|---|---|
| First Name: | Kim | Date of Birth: | 3/22/1978 |
| Middle Name: | | Age: | 27 |
| Last Name: | Jones | SSN: | 52-89-5632 |
| Sex: | F | Member ID: | 49493826 |
| Address Line 1: | 1456 Maple Street | Primary Tel #: | (585) 432-4532 |
| Address Line 2: | | Alt Tel #: | |
| City: | Rochester | Line of Business: | Health Advantage |
| State: | NY | Patient Deductible: | $ 2,000 |
| Zip: | 14647 | Patient Co-insurance: | 20% Liability |
| E-Mail: | kjones@aol.com | Co-Pay: | N/A |
| Eligibility: | Active | Eligibility Date: | 2/1/2003 |
| Group ID: | SO80-9076 | Group Name: | Beecon |

**Clinical Measures for this Patient**

| Measure Description | Patient Met Goal | Last Encounter | Claim Detail |
|---|---|---|---|
| Patient Compliance with refilling critical prescriptions | No | 1/2/2004 | Details |
| Baseline lipid profile in those over 35 with high risk CV factors | No | 1/3/2004 | Details |
| Diabetes screening in CAD patients | No | 1/4/2004 | Details |

**Diagnoses**

| Claim No. | Dx 1 | Description | Dx 2 | Description | Condition | Date First | Date Last | Freq |
|---|---|---|---|---|---|---|---|---|
| 321816422 | 794.30 | Heart Failure | V17.4 | | CHF | 1/12/2001 | 11/21/2002 | 14 |

# Reporting: Patient Health Records

my services at priority-health.com

my account | contacts | help | home | log out

authorizations | claims inquiry | filemart | member inquiry | patient profile | rx inquiry

Patient profile

patient search | health condition search | resource list | glossary

**Health Condition Search Results**

printer friendly version | new search

**SEARCH REQUESTED**

Health Condition*
DIABETES

Select Provider by Name
ALL PROVIDERS

or

Select Provider by Primary Clinic
SELECT ONE

MODIFY SEARCH

* Required field

**VIEW RESULTS BY**

Order By
LAST NAME

Display
10 PER PAGE

GO

Results 1 - 10 of 32 | 1 2 3 4 | previous | next

Care Opportunity

**DOE, JOHN**
**PCP** BELISTO, FRANK
**HOME** (616) 123-1234 **WORK** ---
**BIRTH DATE** 08/05/1956 **AGE** 77

Most Recent Visits:
**PCP** 04/06/2001 **SPEC** 09/02/1997 **ER** --- **IP ADMITS** ---

Most Recent Tests:
**HBA1C** 05/22/2003 **PROTEIN** --- **RET EXM** 07/17/1997 **LIPID** 05/22/2003

Most Recent Rx:
**INSULIN** --- **ORAL ANTI-DIAB** --- **RX COVERAGE** Yes
**ACE/ARB** ---

Related Health Conditions:
**Diabetes** ---

**DOE, JOHN**
**PCP** BELISTO, FRANK
**HOME** (616) 123-1234 **WORK** (616) 123-1234
**BIRTH DATE** 04/22/1943 **AGE** 60

Most Recent Visits:
**PCP** 02/10/2004 **SPEC** --- **ER** --- **IP ADMITS** ---

Most Recent Tests:
**HBA1C** 06/03/2003 **PROTEIN** --- **RET EXM** --- **LIPID** 06/03/2003

Most Recent Rx:
**INSULIN** --- **ORAL ANTI-DIAB** --- **RX COVERAGE** Yes
**ACE/ARB** 02/03/2004

Related Health Conditions:
**Diabetes** ---

**DOE, JOHN**
**HOME** (616) 123-1234 **WORK** ---

# Assessments Reported to Date

- Large Scale Studies
  - Premier/CMS Hospital Demo
  - Rand Assessment of P4P for Medicare
  - “Rewarding Results” Report to CMS
- Detail from One Case Study
  - Published Improvements in Cost and Care

# Premier/CMS Hospital Quality Incentive Demo

- 206 Premier Hospitals, initiated Oct 2003
- Composite quality measures for AMI, CHF, CABG, CAP, Hip/Knee (Total 33)
- Collaborative knowledge transfer
- $8.85 million in incentives with public recognition
- Bonus program
  - 2% - top 10% and 1% - top 10 to 20%

# Premier/CMS Hospital Quality Incentive Demo

- Year One Report – Fall 2003 to Fall 2004
- Data final 11/05. Reported 4/06
  - Estimated lives saved – 235 AMIs
  - Significant improvement in all categories (6.6% with 10% in CHF and CAP)
  - Five hospitals in top 20% (NJ, SC, Minn, Okla, Texas)
  - Incentive payments made to 123 hospitals

# Rand Assessment of P4P for CMS

- Thorough and comprehensive study reported April 2006
- Reports on:
  - Existing empirical evidence
  - Interviews with 20 programs and 10 groups in CMS PGP P4P demo
  - Survey findings (Med-Vantage, Rosenthal, Leapfrog) on characteristics of current programs
  - Assessment of features critical to Medicare

# Rand Findings

- Published evidence is equivocal
  - 15 Studies, 7 with randomized controlled trials with mixed results or no effect
- Interview themes:
  - Foundations - Health care is local and physician engagement is necessary
  - Infrastructure, capital investment is substantial
  - Flexibility is required - Testing, ongoing development, audit and appeal processes

# Rand Findings

- Survey themes:
  - 157 programs covering, at least, 50 million lives
  - HMO, POS, PPO, Self insured, Medicare and Medicaid
  - Quality, cost, other measures
  - Variation in Program Characteristics:

    Responsible entity, attribution. risk adjustment, reporting and feedback methods, decision support, payment determination and financing

# “Rewarding Results” Invited to CMS

- RWJ grantees reported lessons learned 12/06
- Established P4P Programs
  - Blue Cross of California
  - **Blue Cross Blue Shield of Michigan**
  - Bridges to Excellence
  - **Integrated Healthcare Associates**
  - Local Initiative for Rewarding Results
  - **Massachusetts Health Quality Partners**
  - **Excellus Health Plan and Rochester IPA**

# Highlights of Report to CMS

- BCBS of Michigan Hospitals
  - Improvements in quality measures
    1. AMI measures increased 2-15% points
    2. CHF measures increased 9 to 17% points
    3. CAP measures increased 0 to 5 % points
  - Impact on Cash Flow
    1. Reduced hospitalizations lowered hospital net income
    2. Incentive program increased hospital cost
    3. Payer experienced cost savings

# Highlights of Report to CMS

- IHA of California
  - Program Status - BIG
    1. YE 2006 is forth year for 7 health plans, 6 million members, 35,000 physicians
    2. Incentive payments of $145 million for 2003 to 2005
    3. Measures of quality, patient experience, HIT adoption
  - Improvements
    1. Clinical improvement ranges from 1 to 10 %, with an average of 5.3%
    2. Increase in HIT adoption ranges from 54% to 200%
    3. Correlation between clinical performance and HIT adoption

       Full HIT credit = Increase in clinical measures of 9% on average

# Highlights of Report to CMS

- Massachusetts Health Quality Partners
  - Program Status
    1. 18 health plan/group contracts with incentives ranging from $200 to $2500 per MD and $10K to $2.7 million per group
    2. Clinical measures derived from HEDIS
  - Improvements
    1. All measure improved, with or without P4P
    2. P4P compared to control varied

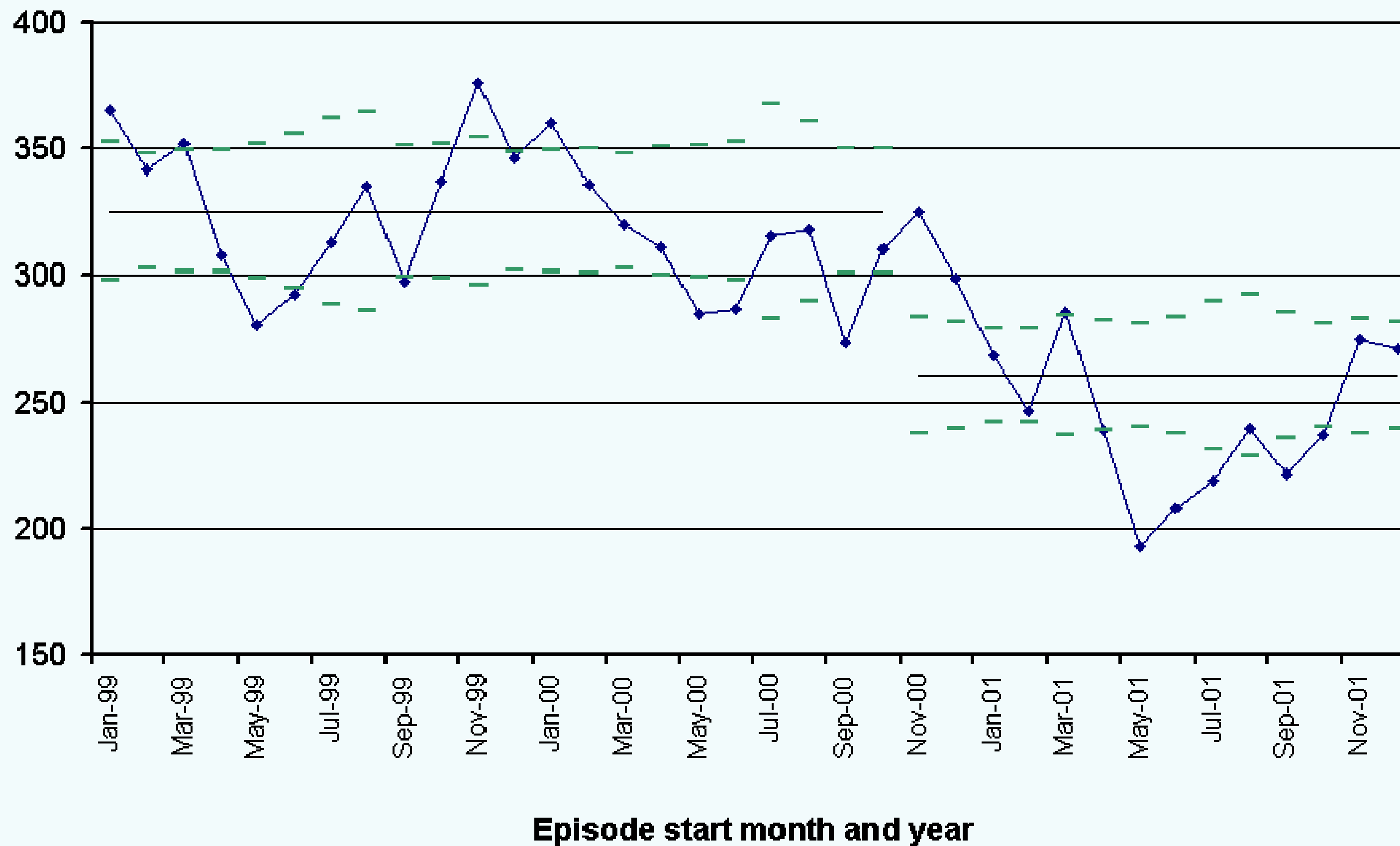
       Same as control for 21 contracts, 5 less, 4 more

# Therefore.........

# Case Study: Rochester, New York

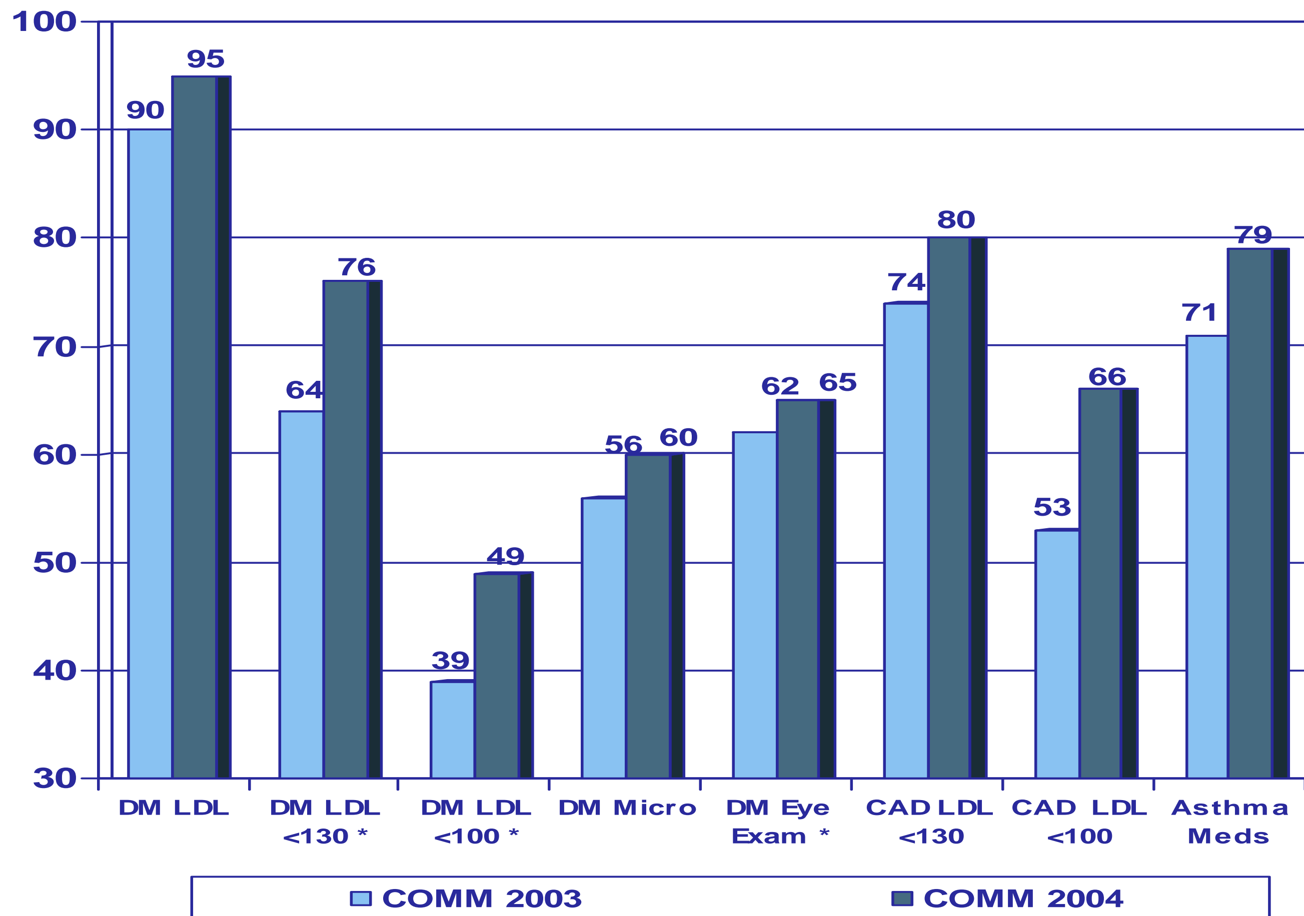
- Partnership between BCBS health plan and IPA
- Health plan enrollment 80% of insured community and IPA 100% of physicians
- P4P Program:
  - Implementation of quality and cost measures
  - Reports with registry to individual primary care and specialty physicians
  - Improvement tools for patients and MD offices
  - Incentive payment averaging 10% of income

# Improvements in Acute Care




Greene RA, et al. Am J Manag Care 2004;10:670-678.

# Improvements in Chronic Care



# Improvements in Chronic Care

- **"Control" 1: Same community, competing HMO**
  - Identical physician network
  - Other HMO delivers chronic care measurement reports without P4P, registries, reports to patients, POS to MD offices
  - **RIPA-Excellus improved more rapidly**
- **"Control" 2: Excellus HMO in a neighboring city**
  - Sister HMO without measurement reports and P4P
  - **RIPA-Excellus improved more rapidly**

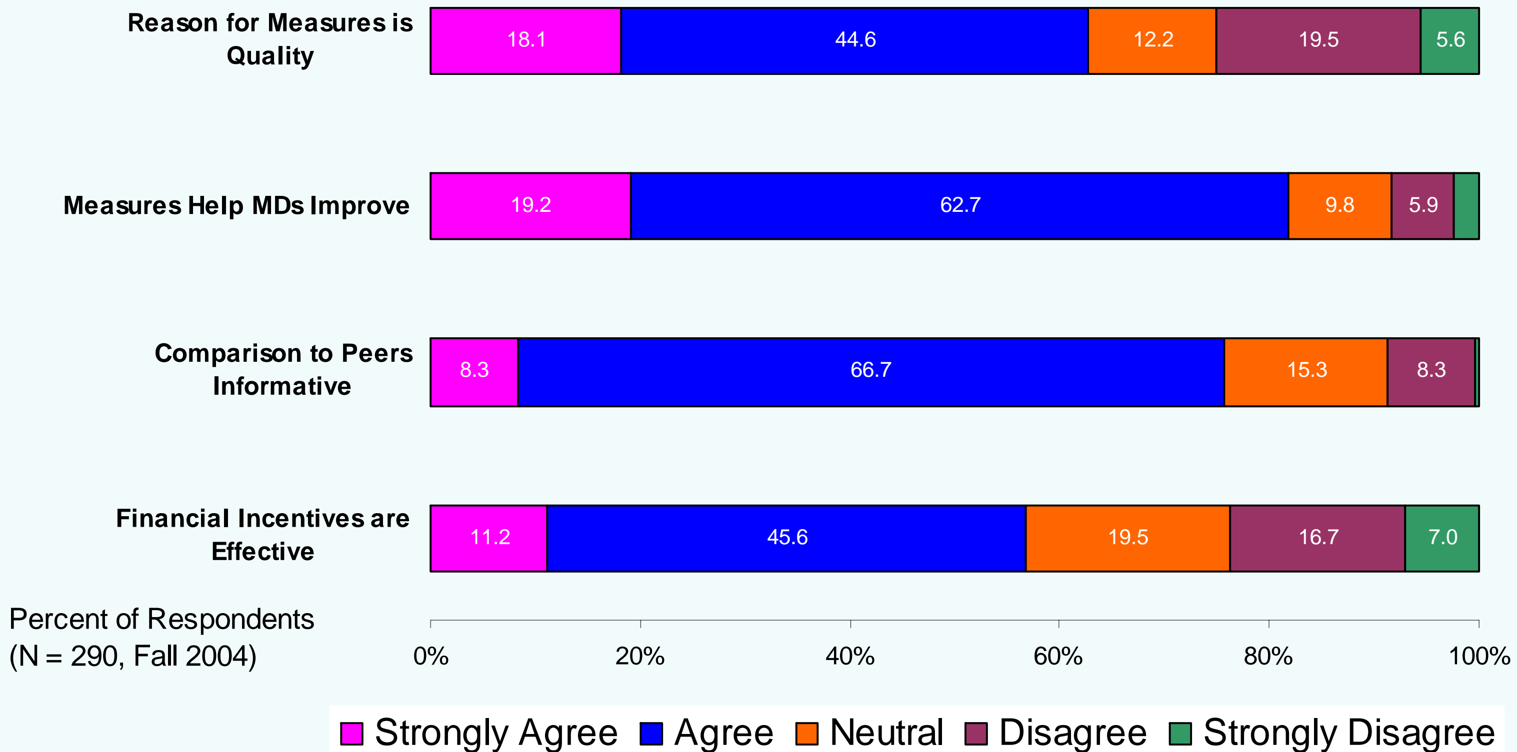
Source: Pesis-Katz, I. et al., "Pay for Performance -The impact on patient quality of care in the community setting." Academy Health HSR and AAPH annual meetings 2006.

# Business Case for P4P

- Actuarial Rolling Trend Analysis
- HMO population in BCBS penetrated community
- Diabetes only, Repeated for CAD
- Baseline 2001/2002, Intervention 2003/2004
- First published ROI for Physician P4P

| Rolling Trend Analysis | 2003 | 2004 |
|---|---|---|
| Annual Trend Savings | $1,900,000 | $2,900,000 |
| Annual Cost | $1,150,000 | $1,150,000 |
| ROI | 1.6 : 1 | 2.5 : 1 |

# Physician Engagement




Source: RWJ Rewarding Results National Evaluation Team, Boston University School of Public Health, Jim Burgess, 7/2005

# Physician Engagement

- Stages of Physician Engagement
  - This is worthless
  - This is interesting
  - This may be true but it isn't important
  - That is exactly my point

# Challenges Ahead

- Measure standardization
  - NQF offers 49 quality measures
  - Cost measure standardization beginning
- Integration of multiple payer platforms
- Aggregating data to reflect physician office practice and to ensure valid reporting
- Accessible, actionable information for both physicians and the community
- Shared savings models to finance incentives in a budget neutral environment

# Recommendations for the Future

- Community – wide, all payer data bases
- Interoperable systems, aggregating multi – source data
  - Administrative data: health plan claims, pharmacy, lab/radiology results
  - Physician office EMR, hospital data
  - Survey data: HIT adoption, risk assessment, patient experience
- Business case model for all stakeholders with shared savings for incentives

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# Questions?

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