Integrated Healthcare Association: Statewide Pay for Performance (P4P) Collaborative

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National P4P Summit – Preconference I
February 14, 2007
**IHA Formation - 1996**

- **Origination:** State Hospital Association
- **Impetus:** Cross-sector tension from managed care / cost pressures
- **Member Interest:** Work together and/or protect self-interest
- **Legal Status:** Non profit, 501(c)(6)
**IHA Vision/Mission - 2004**

**Vision:**
Health care that promotes quality improvement, accountability, and affordability, for the benefit of all California consumers.

**Mission:**
To create breakthrough improvements in health care services for Californians through collaboration among key stakeholders.
**IHA Role**

**Accountability**
IHA promotes accountability and transparency

**Breakthrough Collaboration**
IHA fosters innovation through both individual and collaborative efforts

**Education and Information**
IHA supports a visible, ongoing effort to promote health care improvement

**Policy Innovation**
IHA seeks to influence public healthcare policy issues

**Project Development**
IHA serves as a catalyst by initiating and coordinating projects
IHA Sponsored Pay for Performance (P4P) Program

The goal: 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
The California P4P Players

• 8 health plans
  ➢ Aetna, Blue Cross, Blue Shield, Cigna, Health Net, Kaiser, PacifiCare, Western Health Advantage

• 40,000 physicians in 228 physician groups

• HMO commercial members
  ➢ Payout: 6 million
  ➢ Public reporting: 12 million*

* Kaiser medical groups participated in public reporting only starting 2005
P4P Supporters

- California Association of Physician Groups
- California HealthCare Foundation
- Consumer Advocates NCQA
- Purchasers – Pacific Business Group on Health
- State of California
  - Department of Managed Health Care
  - Office of the Patient Advocate
P4P Program Governance

- Steering Committee – determine strategy, set policy
- Planning Committee – overall program direction
- Technical Committees – develop measure set
- IHA – facilitates governance/project management
- Sub-contractors
  - NCQA/DDD – data collection and aggregation
  - NCQA/PBGH – technical support
  - Medstat – efficiency measurement

Multi-stakeholders “own” the program
Gaining Buy-in

- Adoption of Guiding Principles
- Multi-step measure selection process
- Opportunity for all stakeholders to give input via public comment
- Open, honest dialog
- Frequent communication via multiple channels
**P4P Administrative Costs**

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
**P4P Funding Sources**

- Grants from California HealthCare Foundation
  - Initial development and technical expansion
  - Evaluation
- Sponsorship from Pharma company
  - Committee meetings
  - Stakeholder Communications
- Health Plan Administrative Surcharge
  - Everything else
**P4P Organizing Principles**

- Measures must be valid, accurate, meaningful to consumers, important to public health in CA, economical to collect (admin data), stable, and get harder over time.

- 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.

- Financial incentives are paid directly by health plans to physician groups.
**P4P Data Collection & Aggregation**

- **Clinical Measures**
  - Audited rates using Admin data

- **Patient Experience Measures**
  - PAS Scores

- **IT-Enabled Systemness Measures**
  - Survey Tools and Documentation

- **Efficiency Measures**
  - Claims/encounter data files

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**Data Aggregator: NCQA/DDD**
- Produces one set of scores per Group

**Vendor/Partner: Medstat**
- Produces one set of efficiency scores per Group

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**Physician Group Report**

**Health Plan Report**

**Report Card Vendor**
Overview of Program Results

• Year over year improvement across all measure domains and measures

• Single public report card through state agency (OPA) in 2004/2005 and self-published in 2006

• Incentive payments total over $140 million for measurement years (MY) 2003-2005

• Physician groups highly engaged and generally supportive
P4P Clinical Results MY 2003-2005

Breast Cancer Screening
Cervical Cancer Screening
HbA1c Screening
Chlamydia Screening
Childhood Immunizations

MY 2003
MY 2004
MY 2005
IT Measure 1: Integration of Clinical Electronic Data

Patient Registry

Actionable Reports

HEDIS Results

Percentage of Groups

MY 2003

MY 2004

MY 2005
IT Measure 2: Point-of-Care Technology

![Bar Chart](chart.png)

- Electronic Prescribing
- Electronic Check of Prescription Interaction
- Electronic Retrieval of Lab Results
- Electronic Access of Clinical Notes
- Electronic Retrieval of Patient Reminders
- Accessing Clinical Findings
- Electronic Messaging

Percentage of Groups

- 2003 Measurement Year
- 2004 Measurement Year
- 2005 Measurement Year
Correlation Between IT Adoption and Clinical Performance

- No adoption: IT Total Score 65, Clinical Score 55
- Full credit: IT Total Score 75, Clinical Score 80
Correlation Between Clinical Performance and Patient Satisfaction

![Bar chart showing the correlation between clinical performance quartiles and patient experience scores.](chart.png)
**Results: Impact of Program**

- Better chronic care management programs
- Greater attention to patient satisfaction
- Improved patient outreach
  - Patient reminders, increased screenings
  - Educational materials
- Increased data collection and reporting
- Significant adoption of patient registries
Public Reporting

- Transparency and public reporting are key elements of the P4P program

- Results and top performing groups reported on IHA website, www.iha.org, and California Office of the Patient Advocate website, www.opa.ca.gov

- Measure specifications, payment methodology, and incentives paid posted on IHA website
Health Plan Payments

• Health plans pay financial bonuses to physician groups based on relative performance against quality benchmarks
  ➢ $92 million paid out in first two years
  ➢ $54 million pay out estimated for 2005
  ➢ 1-2% of compensation
  ➢ Average PMPM payment varies significantly by plan, ranging from $0.25 to $1.55 PMPM

• Methodology and payment varies among plans

• Upside potential only
Looking Ahead:
What stakeholders want

• Physician groups want higher payments to fund investments, but slower expansion of measures
  ➢ Physician groups want evidence of ROI and transparency of payment methods

• Health plans and purchasers want improved HEDIS scores and more measures -- including efficiency -- to justify increased payments
  ➢ Health plans want measures to address outcomes, misuse, overuse
  ➢ Purchasers want efficiency domain and assurances of systemic improvement, rather than “teaching to the test”

• Expansion of P4P to Medicaid and Medicare
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
- Public reporting
Lessons Learned

#3: Securing Health Plan Participation
- Measure set must evolve / expand
- Efficiency measurement essential

#4: Data Collection and Aggregation
- Facilitate data exchange between groups and plans
- Aggregated data is more powerful and more credible
Integrated Healthcare Association

For more information:

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