Is Return on Investment in P4P Enough?

The Third National Pay for Performance Summit

Kathleen Curtin
February 28, 2008

Measurable change

Meaningful change

Positive change

Discussion for Today

P4P: Questions

- **What is P4P?**
- **What's gone well?**
- **What still needs work?**
- **Explore an Example –**
  What is the key to the lasting change?

CULTURE

Where Did We Begin ?

Call for Improvement in Health Care

1989 – Don Berwick

Continuous improvement as an ideal in health care. N Engl J Med 1989; 320.

1991 - Lucien Leape

Results of the Harvard Medical Practice Study I/IINEJM Volume 324 February 7, 1991 Number 6

Evolution of Objectives

Goals:

Improve Quality
Eliminate Error
Improve Efficiency
Deliver Service
Provide Access
Patient Focus
Embrace Transparency

Actions:

Measure

Offer Feedback

Provide Tools

Reform Financing

= P4P

Progress Has Been Made, More is Needed

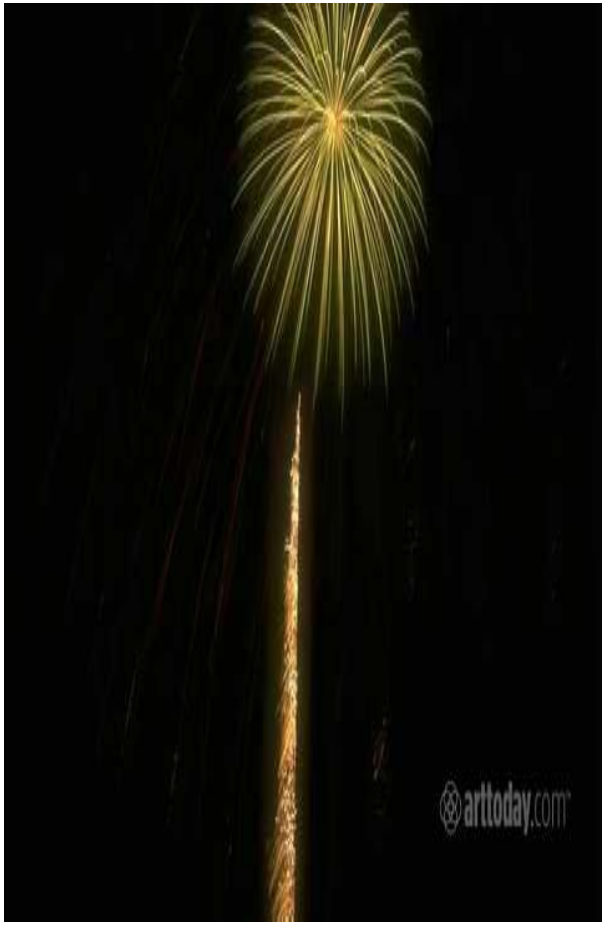
	Stage 1 1995	Stage 2 2005	Stage 3 2010
Features	• Measurement Concept • HMO HEDIS measure • Hospital measures • HEDIS for MDs	• Measuring Hospital / MD • Balanced Scorecard • Cost/quality measures • Support Tools - alerts, registries, reminders • HMO, PPO, CDH	• Community reporting • EBM adherence • Population care • Transparency • Public Reporting
Benefits	• Low impact on cost • Preventive care • Existing data sets • Informational	• Provider EMR investment • Outcome data sources • Incentive programs • **Demonstrable ROI**	• Sophisticated clinical info • Point of care data integration • ***CULTURE CHANGE***

Achieving Goals Requires Culture Change

Is Improvement Enough?

Culture Change Requires:

- **Engagement**
  - **Everyone**
- **Explanation**
  - **Everything**
- **Expectation clarity**
  - **Rules Agreement**



Jack Silversin AMICUS

Achieving Goals Requires Culture Change

THE WALL STREET JOURNAL Tuesday, March 29, 2006

"Doctors Rap UnitedHealthcare For Its New Evaluation Program"

By Sarah Rubenstein

ST. LOUIS POST-DISPATCH Sunday, February 13, 2005

"Health insurance program aimed at efficiency brings confusion, outrage"

By Judith Vandewater

Achieving Goals Require Culture Change

Appreciation of both Urgency and Caution

Urgency to Address

- Cost Escalation and Declining Coverage
- Gaps in Safety and Quality Continue

Caution to Address

- Measurement Processes Remain in Question
- Approaches to Improvement are Elusive
- Add NO Cost to the System Without Improvement

Health Care is a Burning Platform !!

Signs of Progress in 2005 - 2008

- **Transparency**

  Community wide public reporting in Mass, Maine, Minn, Wisconsin, California
- **Evaluation of Pay for Performance**

  CMS, RWJ, Premier, AQA Projects
- **Standardizing Quality Measures**

  NCQA, NQF, AQA, AMA
- **Evaluation of Efficiency Measures**

  CMS, NCQA, FMA

Evidence of Positive Impact of P4P

P4P Status

- **Rand Assessment of P4P for CMS**

P4P Care and Cost Evaluations

- **Premier/CMS Hospital Demo**
- **Impact of IHA** (CA) **and MHQP** (MA)
- **RWJ "Rewarding Results" Projects**
  - Excellus-RIPA, BCBS Michigan, BTE

Premier Hospital P4P

- **Lives Saved !** Estimated – 235 AMIs
- **Significant improvement (6.6%) in all categories**
- **CFH and CAP improvement at 10% categories**
- **Five hospitals in top 20% (NJ, SC, Minn, Okla, Texas)**
- **Incentive payments made to 123 of 206 participating hospitals**

Based on data from Fall 2003 to Fall 2004, finalized 11/05 and reported 4/06.

BCBS Michigan Hospitals and BTE

BCBS Business Case for 85 Participating Hospitals

- Quality results similar to Premier
  - Reduction in AMI and CHF admissions
- $4.2 million cash outflow (reduced income + staffing and incentive obligation)

QI

BTE Business Case for Providers

- Employer purchaser estimates $ 370 savings
- Share of $220 per patient with PCP

States of California and Massachusetts

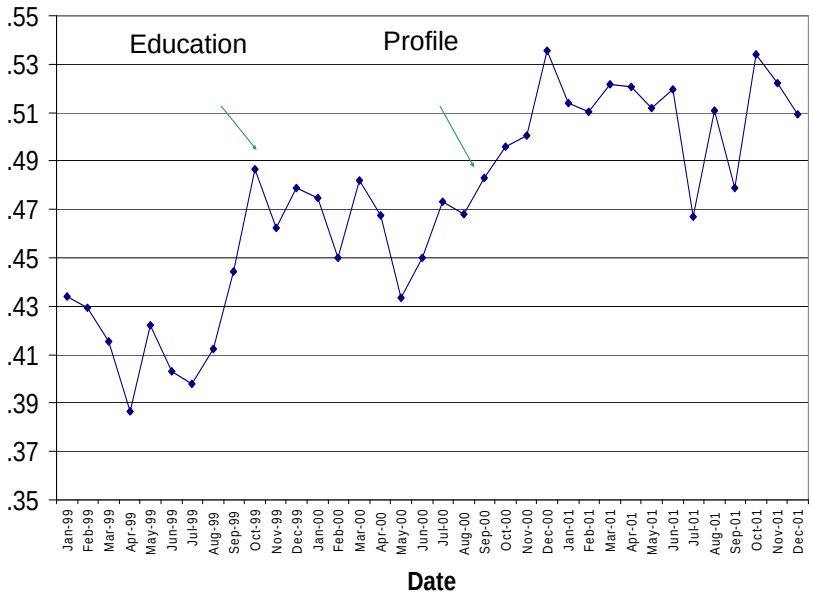
IHA

- YE 2006 is forth year for 7 health plans, 6 million members, 35,000 physicians, $145 million incentive for 2003 - 2005
- Measures of quality, patient experience, HIT adoption
    - Clinical improvement average of 5.3%
    - Increase in HIT adoption ranges from 54% to 200%, full adoption = 9% increase in clinical measures

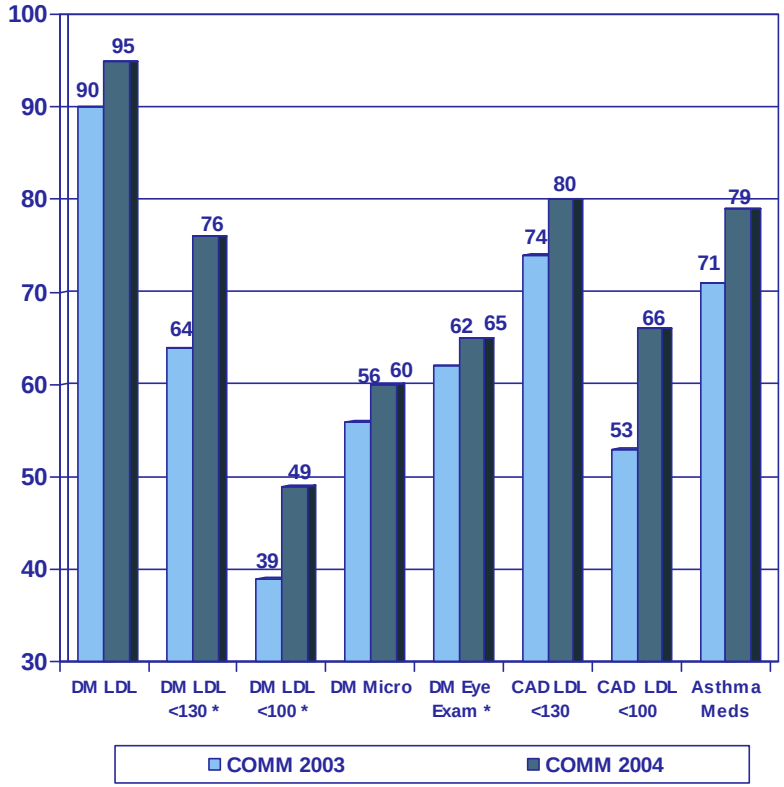
MHQP

- YE 2006 18 health plan/group contracts with incentives ranging from $200 to $2500 per MD and $10K to $2.7 million per group
- Clinical measures HEDIS
    - All measures improved, with or without P4P

RWJ Quality Improvements: Excellus and RIPA



Greene Am J Manage Care
2004; 10:670-8



RWJ ROI: Excellus and RIPA

Analysis	2003	2004	2005	2006
Annual Trend Savings	$1,900,000	$2,900,000	TBD	TBD
Annual Cost	$1,150,000	$1,150,000	$1,150,000	$1,150,000
Return on Investment	1.6 : 1	2.5 : 1	TBD	TBD

- HMO population in BCBS penetrated community
- Actuarial Rolling Trend Analysis
- Diabetes only
- Baseline 2002 with Intervention 2003 to 2006

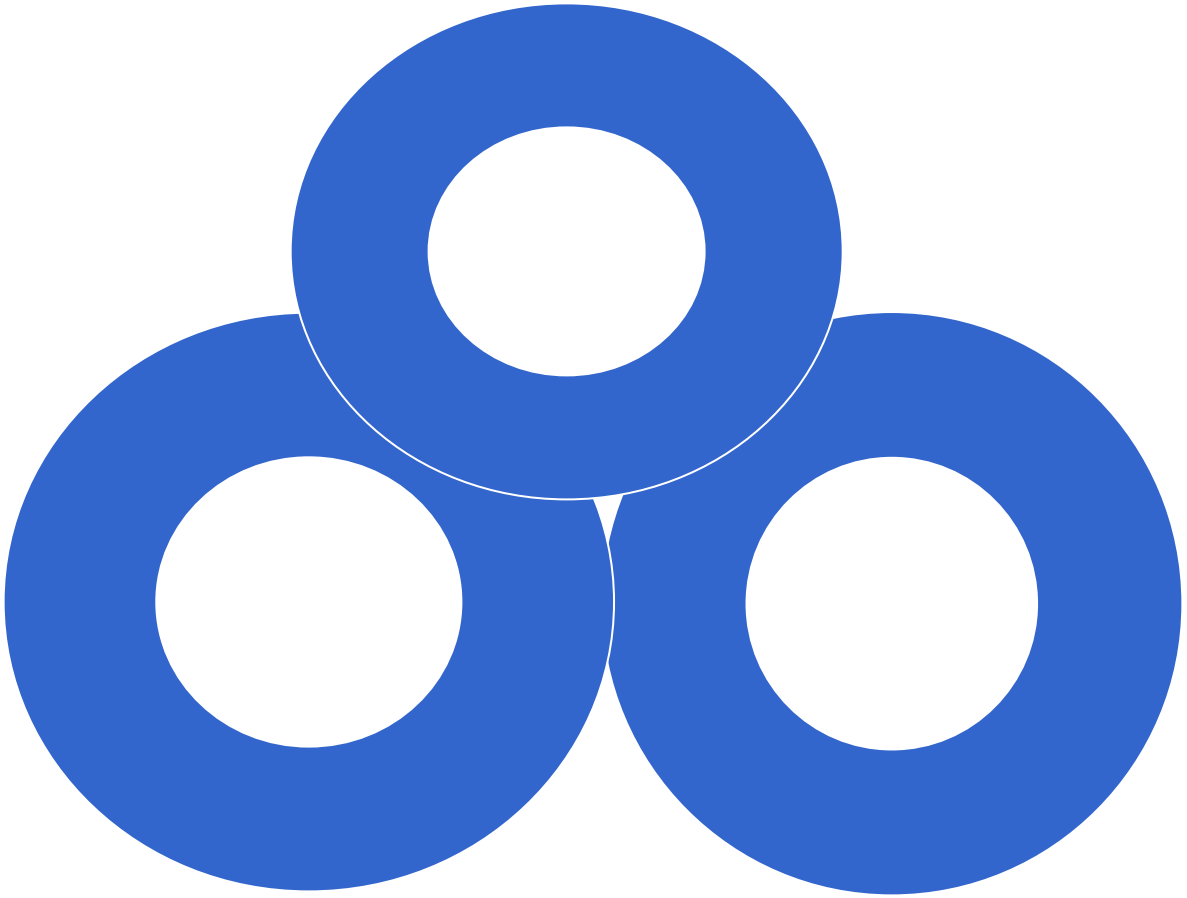
American Journal of Medical Quality 2006; 21(3): 192 – 199.

Is It Time for Health Care to Focus on Culture

Organizational culture affects quality and performance in health care. Successful system redesign calls for the study of:

- **Are there underlying factors that create a resistance to change**
- **Assess the extent to which new practices are sustained**
- **Methods that used to assess culture in health care systems ask…..WHO ARE THE STAKEHOLDERS?**

Stakeholders ?



Community's View of Opportunity

- **Standard measures in primary care and specialty services**
- **EMR adoption with clinical data from and actionable information to physician offices**
- **Public scorecards on quality, efficiency, and IT adoption**
- **Integration of P4P and DM**
- **Growth in *consumer* participation**
- **Continuing role of CMS**
- **Research to assess impact of quality and cost interventions**
- **Continued development of "shared savings" models**

Technical View of Opportunity

- **Community – wide information**
- **Interoperable systems**
- **Aggregated multi - source data**
  - Administrative data: health plan claims, pharmacy, lab/radiology results
  - Clinical data: MD office EMR, hospital data
  - Survey data: HIT adoption, risk assessment, patient experience
- **Business case supporting all stakeholders and shared savings for incentives**

Providers' View of Opportunity

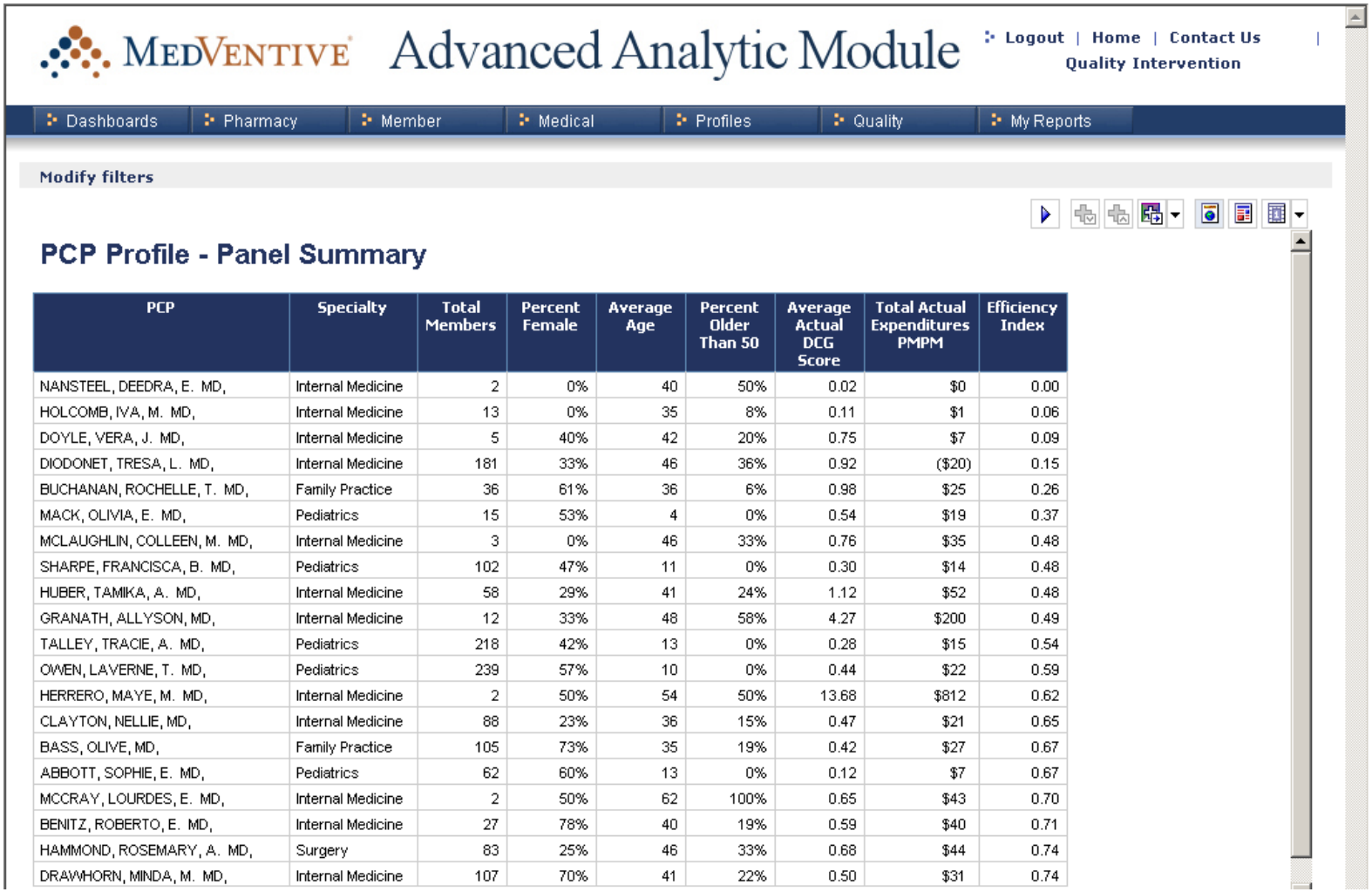
- Need for information that represents the practice
- Physicians and patients must be correctly identified
- Patient care needs to be fairly attributed to a physician
- Responsible entity – physician or group
- Pricing - variation by plan and region
- Impact of benefits on cost – variation by plan
- Limited measures, need for standardization, benchmarking
- Rules sample size, outlier cases, out of scope episodes
- Weighting and other scoring methods
- Use of the data – tiering, P4P, public reporting
- Patient compliance and refusal

Dahlberg and Beckman

Example: Provider Perspective on Cost Measurement

1. Focus cost improvement as the issue – ex. eliminate costs for preventive care and care not pertinent to specialty
2. Measure based on community-wide experience to be relevant to practice and statistically reliable and valid
3. Allow for physician feedback to avoid errors, improve data and build commitment
4. Support improvement by identifying cost containment opportunities and provide actionable information

Improvements in Efficiency Measurement



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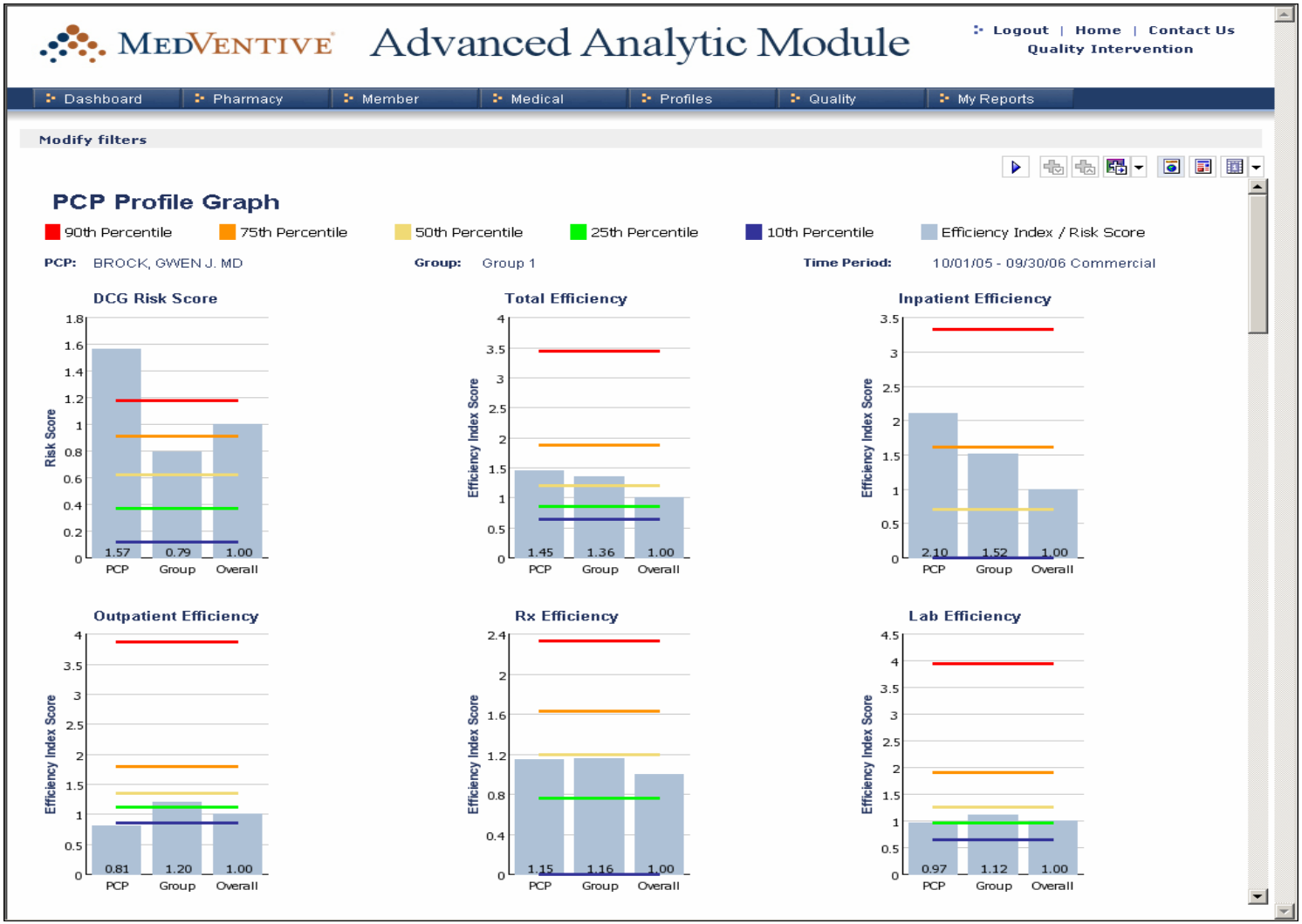
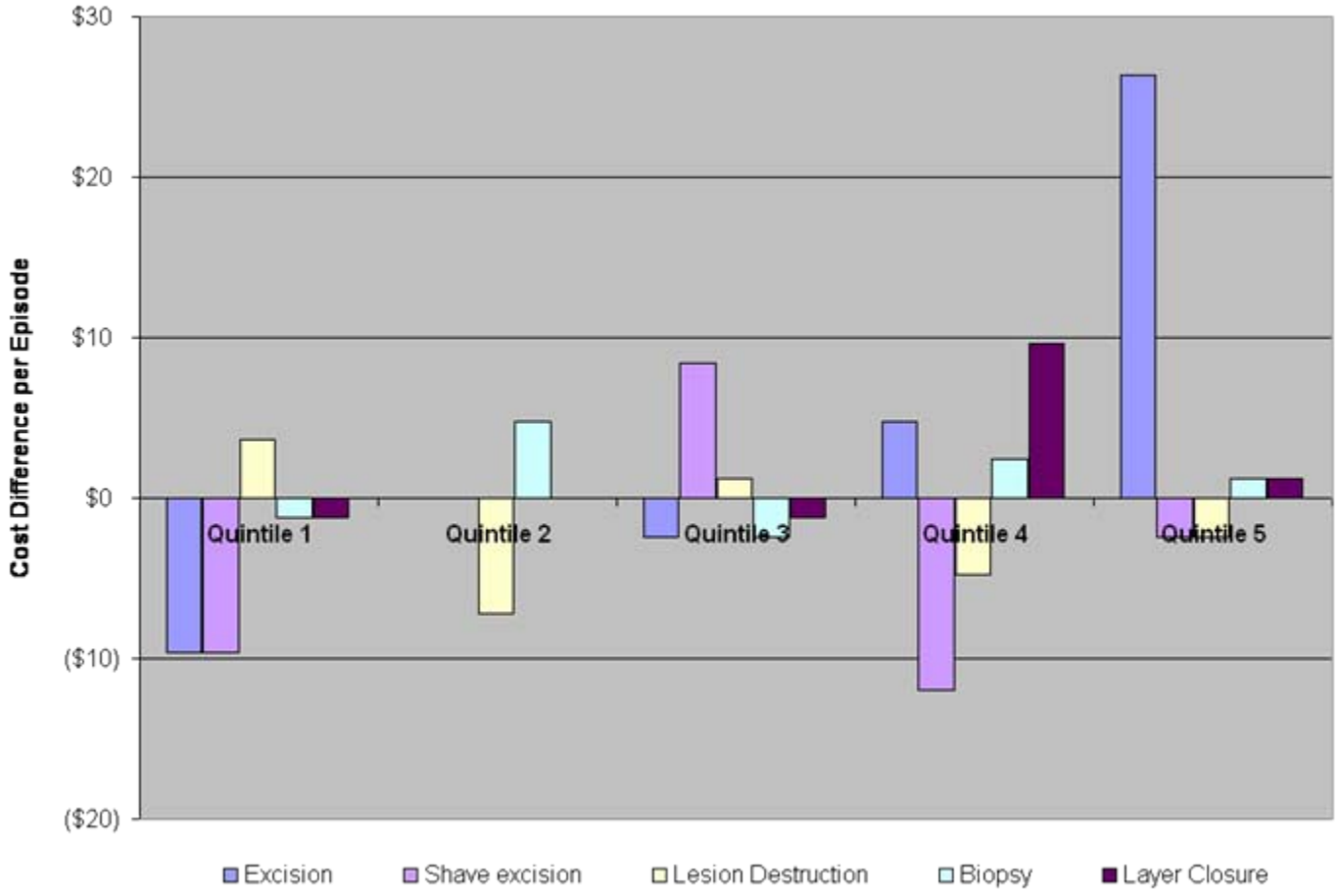
PCP Profile - Panel Summary

PCP	Specialty	Total Members	Percent Female	Average Age	Percent Older Than 50	Average Actual DCG Score	Total Actual Expenditures PMPM	Efficiency Index
NANSTEEL, DEEDRA, E. MD,	Internal Medicine	2	0%	40	50%	0.02	$0	0.00
HOLCOMB, IVA, M. MD,	Internal Medicine	13	0%	35	8%	0.11	$1	0.06
DOYLE, VERA, J. MD,	Internal Medicine	5	40%	42	20%	0.75	$7	0.09
DIODONET, TRESA, L. MD,	Internal Medicine	181	33%	46	36%	0.92	($20)	0.15
BUCHANAN, ROCHELLE, T. MD,	Family Practice	36	61%	36	6%	0.98	$25	0.26
MACK, OLIVIA, E. MD,	Pediatrics	15	53%	4	0%	0.54	$19	0.37
MCLAUGHLIN, COLLEEN, M. MD,	Internal Medicine	3	0%	46	33%	0.76	$35	0.48
SHARPE, FRANCISCA, B. MD,	Pediatrics	102	47%	11	0%	0.30	$14	0.48
HUBER, TAMIKA, A. MD,	Internal Medicine	58	29%	41	24%	1.12	$52	0.48
GRANATH, ALLYSON, MD,	Internal Medicine	12	33%	48	58%	4.27	$200	0.49
TALLEY, TRACIE, A. MD,	Pediatrics	218	42%	13	0%	0.28	$15	0.54
OWEN, LAVERNE, T. MD,	Pediatrics	239	57%	10	0%	0.44	$22	0.59
HERRERO, MAYE, M. MD,	Internal Medicine	2	50%	54	50%	13.68	$812	0.62
CLAYTON, NELLIE, MD,	Internal Medicine	88	23%	36	15%	0.47	$21	0.65
BASS, OLIVE, MD,	Family Practice	105	73%	35	19%	0.42	$27	0.67
ABBOTT, SOPHIE, E. MD,	Pediatrics	62	60%	13	0%	0.12	$7	0.67
MCCRAY, LOURDES, E. MD,	Internal Medicine	2	50%	62	100%	0.65	$43	0.70
BENITZ, ROBERTO, E. MD,	Internal Medicine	27	78%	40	19%	0.59	$40	0.71
HAMMOND, ROSEMARY, A. MD,	Surgery	83	25%	46	33%	0.68	$44	0.74
DRAWHORN, MINDA, M. MD,	Internal Medicine	107	70%	41	22%	0.50	$31	0.74

Improvements in Efficiency Measurement



Improvements in Efficiency Measurement - FMA



Opportunity to Respond to Key Stakeholders

1. Analyze regional cost by condition to find variation in specific services
2. Determine if the variation is overuse or misuse and address it as Quality
2. Create measures with the potential to reduce overuse or misuse
3. Suggest improved methods based on identified best practice
4. Reduce costs and improve quality

Cultural Factors that Support Improvement

To create sustainable, new practices and avoid resistance to change:

- **Directly involve key ALL stakeholders – community, employers, payers, providers**
- **Strategically align with priorities of the community and participating organizations**
- **Systematically establish infrastructure**
- **Actively develop champions, teams and staff**

Shortell, et al Health Services Research August 2006

Sticking to Our Measurement Principles for Physicians

- **Quantifiable, Feasible, Evidence-based Measures of Quality, Cost and Service**
- **Comparable and Within Scope for Providers in Specialty**
- **Statistically Reliable with Sufficient Sample Size and Reproducible**
- **Potential for Impact on Cost Trends and Outcomes**
- **Reported with Patient Detail for Process Improvement**
- **Developed in Partnership with Physician Community**

Principles for Profiling Physician Performance, Massachusetts Medical Society, 1999

Achieving Goals Require Culture Change

Is Improvement Enough?

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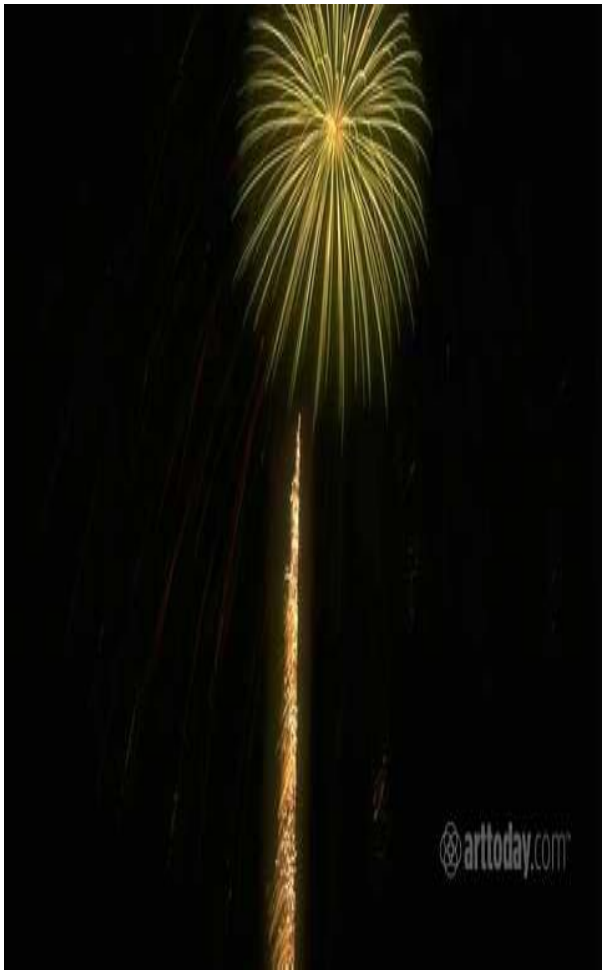

Questions & Answers

Meaningful change

Measurable change

Positive change

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More Information

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