



Medi-Cal Managed Care Pay-for-performance Programs

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L.A. Care Health Plan

P4P Programs in Medi-Cal

- The majority of Medi-Cal health plans (12 out of 18 plans interviewed) have a P4P program
- Most of the P4P programs have been operating for several years (average 6 years)
- Experience with P4P has been mostly positive
- Health plans feel they have improved care delivery, HEDIS scores, and provider engagement

Motivations for Creating P4P Programs

Common Motivations	# of Health Plans listing as reason for starting program
Improve patient care/quality outcomes	9
Align physician incentives with providing the right care	4
Establish benchmarks	2
Reduce costs	2
Improve encounter capture	2
Create good will with providers	2

Measure Selection

- Most health plans select measures based on
 - The population the health plan serves, i.e., women and children
 - HEDIS
 - State auto assignment measures

Clinical Measurement Areas

Clinical Areas	Auto-Assignment Measure	# of Health Plans measuring in current P4P program
Appropriate use of asthma medications	X	8
Well child care 3-6 years	X	8
Adolescent well-care visits	X	7
Chlamydia screening		7
Well infant care 0-15 months		6
Breast cancer screening		5
Cervical cancer screening		5
Childhood immunizations	X	5

Payment Level and Incentive Targets

- Payment Level
 - 5 health plans pay bonuses exclusively at the individual physician level
 - 5 health plans pay bonuses at the contracting level
 - 2 health plans pay bonuses at the group or network level
- All plans with P4P programs pay incentives to physicians versus other providers (i.e. nurses, administrative staff)

Payment Methodologies

Incentive Methodologies	# of Health Plans Using Methodology
Payment per encounter, i.e. per childhood immunization given, per post-partum assessment, etc.	8
Percentage of pool based on performance against benchmark	3
Percentage of pool based on improvement over previous year	1

Collaboration

- No formal collaboration on P4P is occurring among Medi-Cal health plans
- Plans largely embrace P4P within their own environment but are more cautious about a statewide collaboration
- Several health plans cited auto-assignment methodology in two-plan and GMC counties as a potential barrier to collaboration

L.A. Care Health Plan P4P Program

Incentives for major care partners

- Physicians
- Provider groups
- Hospitals
- Plan Partners
- Members

Value Proposition

- Encourage quality improvement
 - Access, process, outcomes, member satisfaction and patient safety
- Improve the volume, quality, and timeliness of encounter data submission to L.A. Care.
- Many incentives are driven by HEDIS

Physician Clinical Incentives

Clinical Area	Amount
Well infant care 0-15 months	\$75 per set of 3 completed visits up to \$150 for 6 visits
Well child care 3-6 years	\$25 -\$50 per qualifying visit
Adolescent well-care	\$25 -\$50 per qualifying visit
Initial Health Assessments	\$50 per qualifying visit
Timely post-partum care	\$50 per qualifying visit

Physician Health I.T. Adoption

- Reward adoption and demonstrated utilization of health I.T. in four categories:
 - LINK (immunization registry) (up to \$1,000)
 - Disease registries (up to \$2,000)
 - E-Prescribing (up to \$3,000)
 - Electronic Health Records (up to \$6,000)
- Specialized eligibility
- Program began October 1, 2007; duration 1 year.
- Eligible physicians received program information and a claim form.

Physician Incentive Program

- Participation is automatic
- Payment is based on claims and encounter data received by L.A. Care
- Payments are made quarterly to physicians or their employer
- Most incentives compensate the assigned PCP on the date of service.
 - Exception: Post-Partum (credits rendering provider)

Hospital Incentive Program

Year 1- 2007

- Participating hospitals publicly report at least one set of quality indicators from CHART
 - 3 core JCAHO measures
 - CABG mortality measures
 - Leapfrog measures
 - Patient experience information (PEP-C)
 - Pregnancy/childbirth measures
- Incentive amount tied to hospital's proportion of L.A. Care discharges
- Earned 85% of available payments

Hospital Incentive Program

Year 2 - 2008

- 40% of the incentive awarded for public reporting
- 60% awarded for improvement in a measure
 - Improvement is defined as a 10% improvement in a measured rate for 2006 compared to the same measure in 2005

Physician Group Incentive Program

- **25% of total compensation**
- **Encounter Submission**

Per encounter payment for timely submission once a threshold is reached
- **Access to Specialty Care**

PMPM payment for improving access to specialty services
- **Disease Management Program**

PMPM payment for a disease management program
- **Preferred Services**

PMPM payment for value-added services for affiliated providers and members
Earned 80% of available incentives

Plan Partner Incentive Program

- Payment for improvements in clinical care as measured by HEDIS
- L.A. Care customizes quality goals for each Plan Partner
- Plan partners earned payments in year 1

Member Incentive Program

- **Well baby visits**

Up to \$40 in Target gift cards for 6 or more well baby visits in the first 15 months of life; \$20 paid for first set of 3; \$20 for second set

- **Annual well child visits**

\$20 Target gift card or 2 movie tickets

- **Perinatal incentives**

Gift basket for notifying plan of pregnancy

\$20 Target gift voucher for timely prenatal and postpartum visits

Challenges

- Program design - how to motivate behavior change
- Projecting costs and budgeting for them
- State approval process
- Physician engagement - communication about programs
- Development of payment systems and reporting
- Evaluation and refinement - measurement of impact

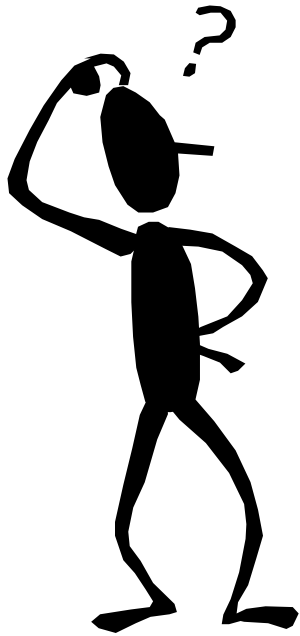
Successes

- Development of infrastructure and culture to support P4P
- Alignment of incentive programs with related quality improvement initiatives
- Provider engagement
- Increase in encounter data capture
- Improvement in HEDIS rates

Future Directions

- Evaluation and refinement of existing programs.
- Shift toward incentives for chronic disease care.
- Collaboration with other Medi-Cal Managed Care plans?
- Increased public reporting of quality-related information.
- Further development of member incentive programs.

Questions?



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