

Physician Group Experience: Internal Pay for Performance Program

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Hill Physicians Medical Group

THE THIRD NATIONAL
PAY FOR PERFORMANCE SUMMIT

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Hill Physicians Geography

- 2,600 physicians(1000 PCPs) IPA
- 350,000 members
- 8 counties in Northern California



Hill Physicians Medical Group: Overview

- 350,000 patients
- 2,500 physicians
- 24 'affiliated' hospitals
- 9 counties (size of New England)
- 100% revenues from capitation

Pay for Performance

Program Goals

- Strengthen the overall system
- Promote results oriented culture
- Expand the concept of medical services
- Move to population management
- Become more “Kaiser-like”
(i.e. integrated system)

Lessons Learned

- Profiles
- The Data
- Payouts
- My patients are sicker
- Feedback

Profiles in General

Approach...broad metric set, detailed data

- Profiles are technically sophisticated with detailed mathematical models (15 pages)

Reality...Lost in the trees

- Too complicated; we get tangled up explaining the math and lose sight of the message

Retooling....to focus on results

- Compact, concise summary message with 2 or 3 actionable items

The Profiles: Utilization vs. Clinical

Assumption...physicians will follow the \$\$\$

- Physicians will understand that they need to continue to focus on utilization
(Utilization = 50%; Clinical 25%)

Reality...our PCPs are most concerned with their clinical scores

- The utilization portion is complicated with unclear action items

Retooling....to focus on results

- Developing action items

Specialty Profiles

Assumption...opposite for specialists....why?

- Physicians don't want too much detail; we will lose their interest if it is too detailed

Reality...it is the same for the specialists

- Needed patient level detail available to effect future practice pattern changes.

Retooling....

Complex Reports



**Hill Physicians
Medical Group, Inc.**

Report 1

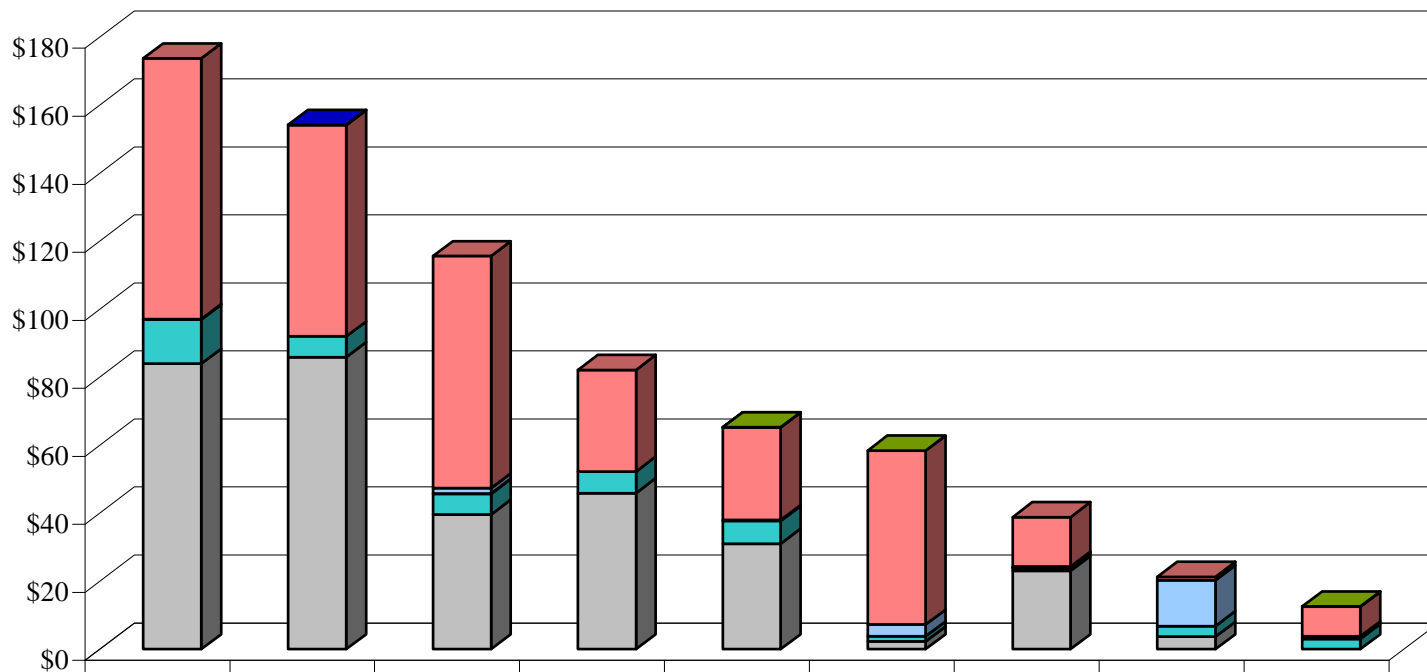
Provider Profile for Cardiology East Bay

Reporting Period January 1, 2003 through December 31, 2004

Minimum episodes required for profiling: ETG = 50, Physician = 50

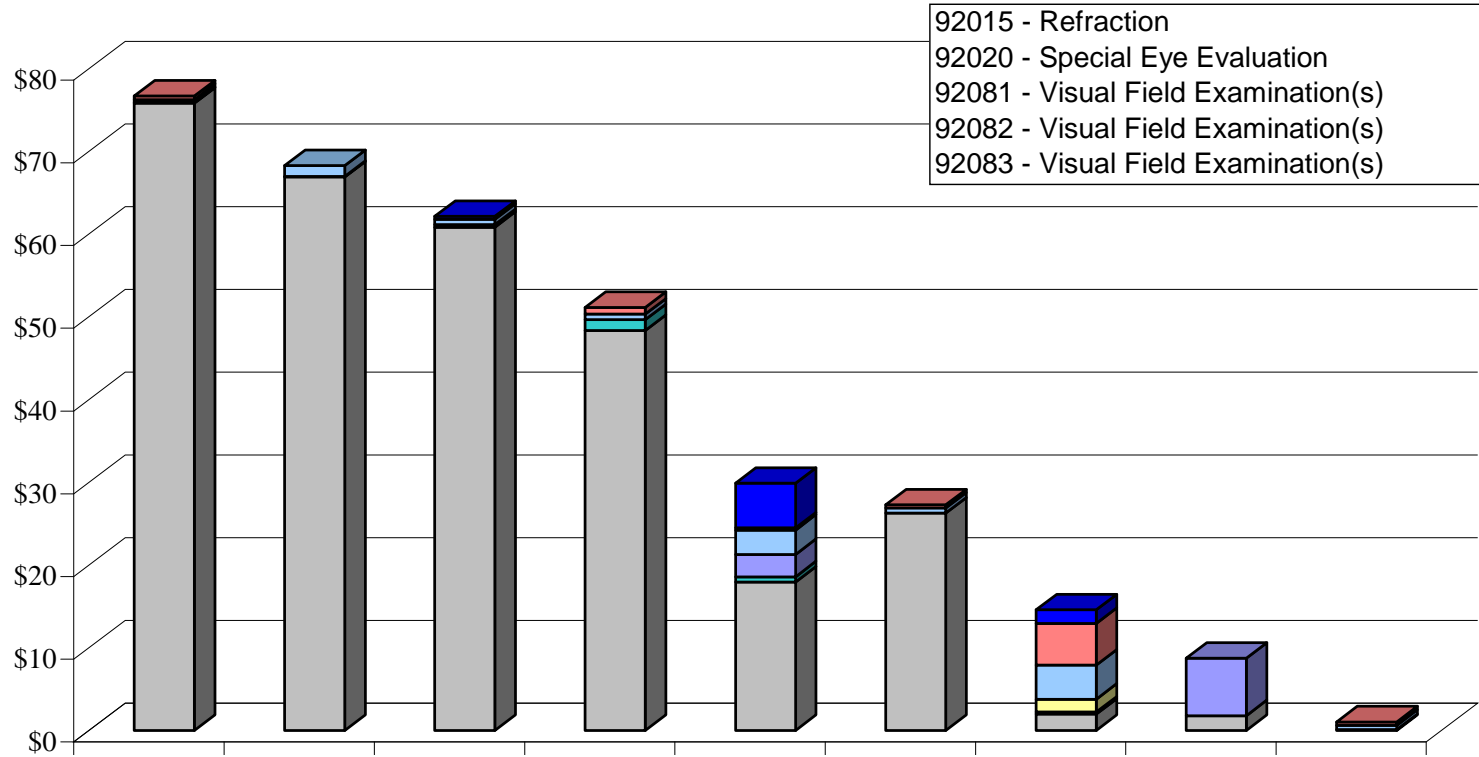
Physician Name	Episode Count	ETG Mix	Cost per Episode		Efficiency Factor
			Expected	Actual	
Total/Average	4,832	1.000	521	521	1.000
1. [REDACTED]	99	1.044	544	881	1.621
2. [REDACTED]	190	1.177	613	830	1.354
3. [REDACTED]	52	1.129	588	758	1.288
4. [REDACTED]	207	1.331	693	848	1.223
5. [REDACTED]	141	0.850	443	521	1.175
6. [REDACTED]	453	0.938	489	546	1.117
7. [REDACTED]	107	1.043	544	598	1.100
8. [REDACTED]	141	0.942	491	532	1.085
9. [REDACTED]	89	0.799	416	445	1.068
10. [REDACTED]	419	1.007	525	545	1.038

Total Cost Detail for ETG 21700 Cataract, w/o surgery for Ophthalmology in Sacramento - Medicine



**Total Cost Detail for ETG 21700
Cataract, w/o surgery
for Ophthalmology in
Medicine - Special Services**

92015
 92020
 92081
 92082
 92083
 92135
 92136



Ophthalmologist X Episode Summary

EPISODE_NUMBER	ETG	IDX_PROFILE_ID	DIVISION	TC_EM	TC_DIAG	TC_MED	TC_SURG	TC
3738373	▼ 21700	2554	EYES1	\$336.15	\$8.25	\$322.28	\$0.00	
4162726	▲ 21700	2554	EYES1	\$302.93	\$0.00	\$322.28	\$0.00	
PAT_UID:		936533	GENDER:	Male	AGE:	79		
FROM_DT	PROC_CD	Description	MODIFIER	DX1_CD	DX2_CD	DX3_CD	DX	
8/7/2002	92014	Eye Exam & Treatment		V43.1	368.40			
11/27/2002	99214	Office/outpatient Visit, Est		V43.1				
11/27/2002	92015	Refraction		V43.1				
12/16/2002	99214	Office/outpatient Visit, Est		V43.1				
12/16/2002	92015	Refraction		V43.1				
1/8/2003	99214	Office/outpatient Visit, Est		V43.1				
1/8/2003	92015	Refraction		V43.1				
5/7/2003	99213	Office/outpatient Visit, Est		V43.1				
3919040	▼ 21700	2554	EYES1	\$136.57	\$54.31	\$246.92	\$0.00	
4214784	▼ 21700	2554	EYES1	\$166.36	\$0.00	\$355.12	\$0.00	
488231	▼ 21700	2554	EYES1	\$166.36	\$8.25	\$322.28	\$0.00	
4576739	▼ 21700	2554	EYES1	\$202.50	\$8.25	\$279.76	\$0.00	
1979964	▼ 21700	2554	EYES1	\$166.36	\$0.00	\$322.28	\$0.00	
234237	▼ 21700	2554	EYES1	\$238.64	\$54.31	\$171.56	\$0.00	
1221473	▼ 21700	2554	EYES1	\$119.32	\$0.00	\$343.12	\$0.00	
1604672	▼ 21700	2554	EYES1	\$119.32	\$0.00	\$343.12	\$0.00	
1710642	▼ 21700	2554	EYES1	\$83.18	\$0.00	\$375.96	\$0.00	
3837655	▼ 21700	2554	EYES1	\$203.74	\$0.00	\$246.92	\$0.00	
819679	▼ 21700	2554	EYES1	\$202.50	\$0.00	\$246.92	\$0.00	
3352978	▼ 21700	2554	EYES1	\$166.36	\$23.33	\$246.92	\$10.00	
3809421	▼ 21700	2554	EYES1	\$106.78	\$0.00	\$334.81	\$0.00	
4162712	▼ 21700	2554	EYES1	\$119.32	\$0.00	\$312.92	\$0.00	
372002	▼ 21700	2554	EYES1	\$172.71	\$0.00	\$235.13	\$0.00	
1739738	▼ 21700	2554	EYES1	\$119.32	\$54.31	\$204.40	\$10.00	

Payouts

Assumption

- Payouts work equally well for PCPs and specialists

Reality

- Doesn't appear to work as well with specialists
- Factors:
 - Frequency of payouts: PCPs 4x/yr; Specialists 1x/yr
 - Amount of total pay at risk: PCPs 25%; Specialists 10%
 - Get much more traction on the clinical vs. utilization, satisfaction measures
 - Difficult to explain that for specialists only 40% of care gets profiled; for PCPs, 100%

Now what?

- What about capitating specialists & developing performance bonuses?

Data

Assumption

- The “rollup” summaries correct errors at the detail level. Not to worry!

Reality

- Detailed “drilldowns” are imperfect
 - Pediatricians have adult members
 - New endocrinologist has disproportionately complicated cases, while more established MDs have mostly chronic, stable patients
- The doctors are our expert auditors

Now what?

- Ongoing quest to clean, scrub, audit data

Feedback

The approach...

- “This is a minor inconsistency in the profile mechanics and it works to your favor in other sections”

Reality

- Implement corrections at “glacial speed”
- These are the engaged docs that are actually studying the profiles!
- Why are we trying to engage others if we aren’t going to listen to the folks who are making constructive suggestions?

Retooling....

- Re-evaluating our workgroups, workplans, and re-prioritizing our issues lists

My Patients are Sicker.....

Approach...

- In addition to age/sex adjustment, we added severity of illness based on ETGs/ERGs

Our reality

- Medicare members used to be valued at 4x; now 2.6x
- This causes sudden shifts in payout amounts
- Undesirable “mixed message”, especially with the Medicare Risk Project

Retooling....

- Requires mitigation and gradual two year implementation pathway

Bottom Line

- This is much harder than it looks
 - Continued diligence and fine tuning is required
- Gaining trust of the physicians is critical
 - If they sense they are respected and valued, they will become powerful allies
- Persistence will result in a culture of continuous improvement