Two High Performing Systems Debate the Pros and Cons and Nuances of Internal Pay for Performance

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Moderator: Linda Davis
Consultant

Debate Format

- Introductions & Background (10 minutes)
- What, Why & How
  Pro-Barry (7.5 minutes)
  Con-Bruce (7.5 minutes)
- Q & A (10 minutes)
- Future Plans & Advice
  Barry (5 minutes)
  Bruce (5 minutes)
- Q & A (15 minutes)

Background

- 1988 – Buyers Health Care Action Group (“BHCAG” pronounced “bee-kag”) large self-funded employer coalition drives reform
- 1993 – Institute for Clinical Systems Improvement (ICSI) develops care guidelines, measures, primary care transformation
- 1996 - HealthPartners starts P4P
- Early 2000s – Two other health plans begin P4P

Background

- 2004 MN Community Measurement (MNCM) produces first public report on diabetes using aggregated health plan data. Later adds other measures.
- 2006 BHCAG Bridges to Excellence Program rewards Optimal Diabetes Care; requires clinical data for next round of rewards.
- 2007 MNCM reports performance with clinical data submitted by providers for diabetes and CVD to meet MN Bridges to Excellence requirements.
- 2008 Legislature mandates common measures for public reporting, aligned P4P, data submission.

Optimal Diabetes Care

Composite diabetes measure:

- Each patient must meet all five measures
- Intermediate outcomes
- Publicly reported since 2004
- Easier to compare physicians' performance
- Patient-centric

Optimal Diabetes Care

Five Measures

- A1c < 7
- LDL < 100
- BP < 130/80
- Non-smoking status
- Daily aspirin if > 40 y.o.

Credit only for patients successful with all 5 measures

Optimal Diabetes Care

Population-Based Example

On Aspirin = 95%
And Non-smoking: 85% * 95% = 81%
And LDL < 100: 70% * 81% = 57%
And BP < 130/80: 67% * 57% = 38%
And A1c < 7: 60% * 38% = 23%

23% Optimal Diabetes Care

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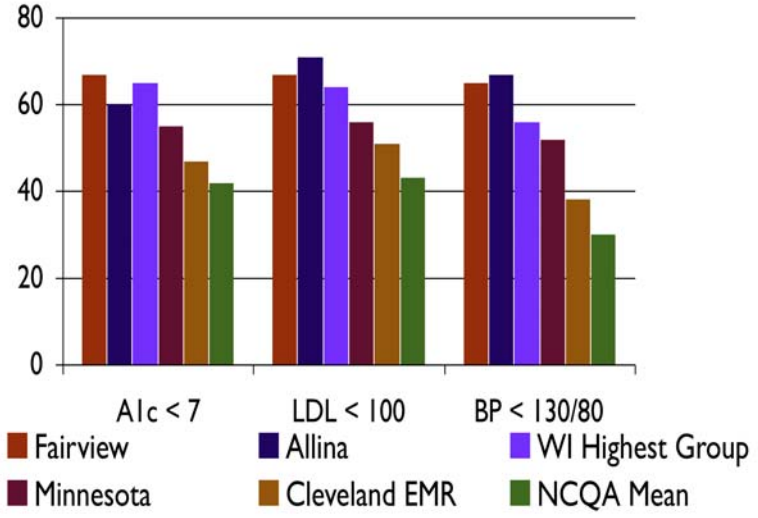
2007 Diabetes Performance Benchmarks



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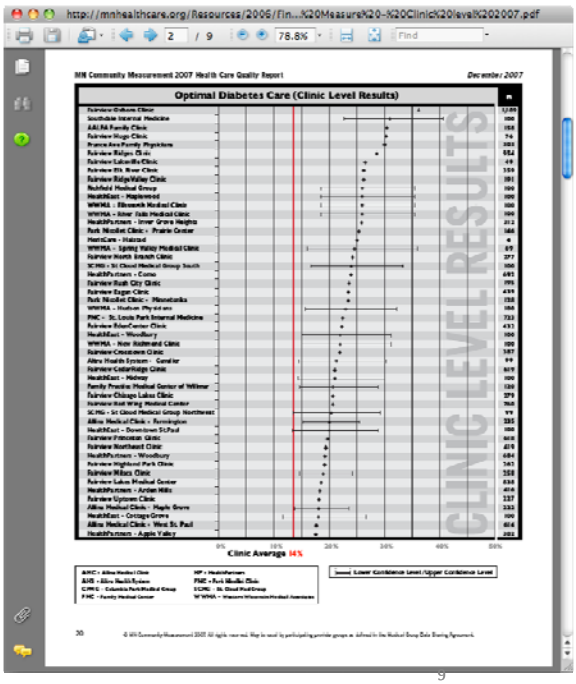
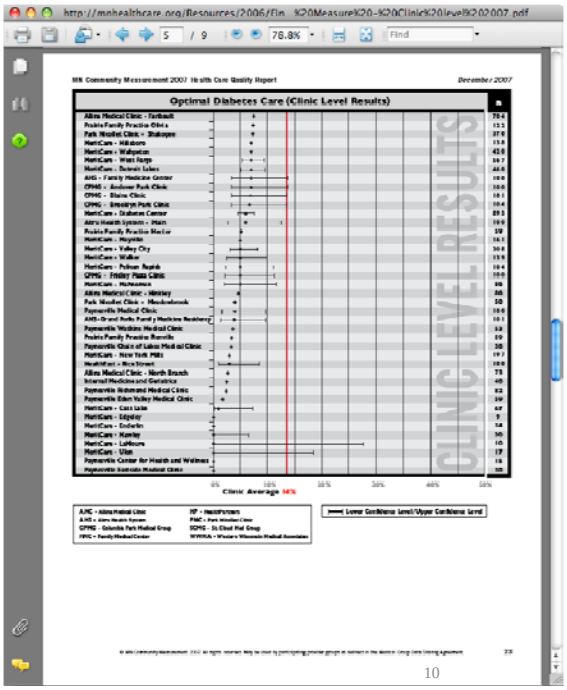
MNCM 2008 Report

High Scoring Clinics - Optimal Diabetes Care



MNCM 2008 Report

Low Scoring Clinics - Optimal Diabetes Care

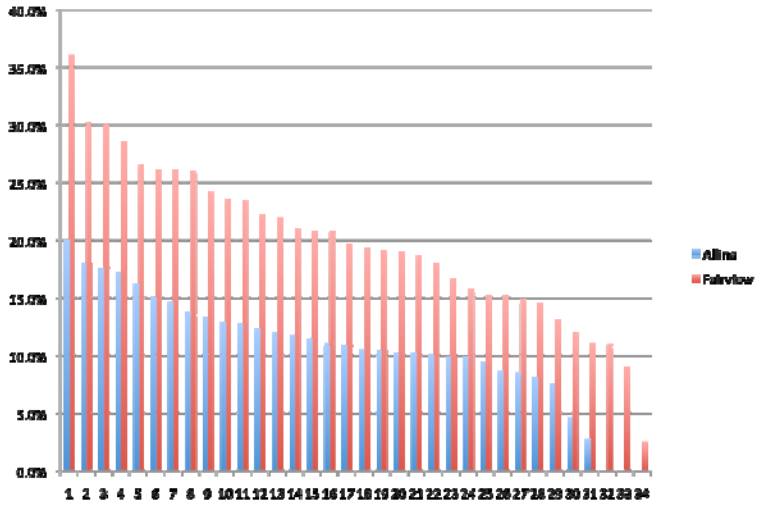


Fairview v. Allina

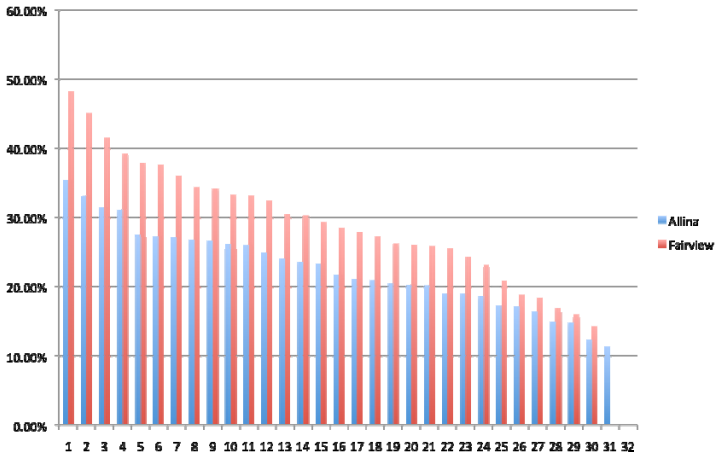
- Two largest hospital-based provider systems in MN
- Each own 30+ primary care practices, specialty groups, multiple hospitals, pharmacies
- EMRs fully implemented since 2004 and 2006 respectively
- Similar quality improvement strategies
  - Monthly internal measurement and feedback-transparent reporting
  - Regular "task lists" identifying patients needing interventions
  - Increased use of teams including Certified Diabetic Educators and pharmacists
  - On-site A1c results
- Both see next challenge as patient engagement/activation
- **Different approach to internal incentives**

2006 Performance

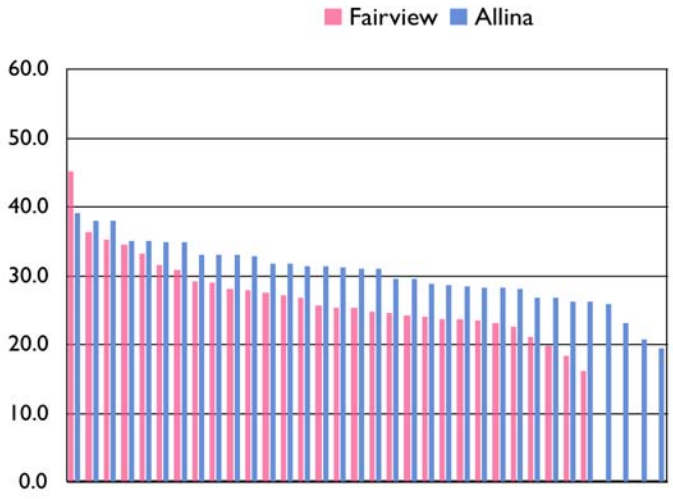
Allina v. Fairview Optimal Diabetes Care



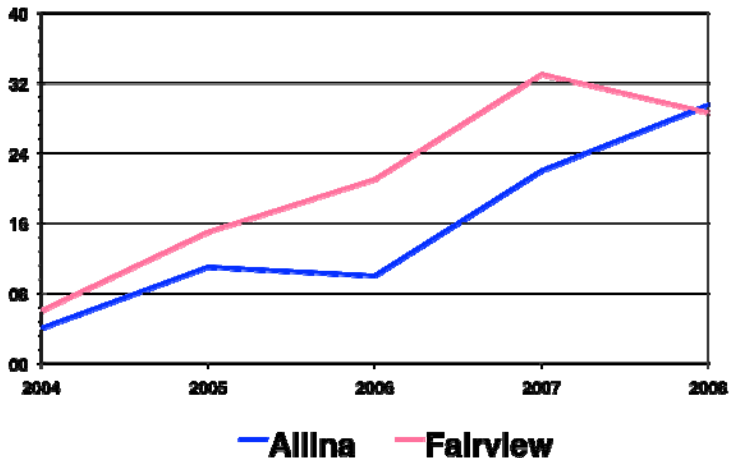
2007 Performance
Allina v. Fairview Optimal Diabetes Care



2008 Performance Optimal Diabetes



Allina v. Fairview
Optimal Diabetes Care



P4P Responsible for "Rise to the Top" of a Major Health System

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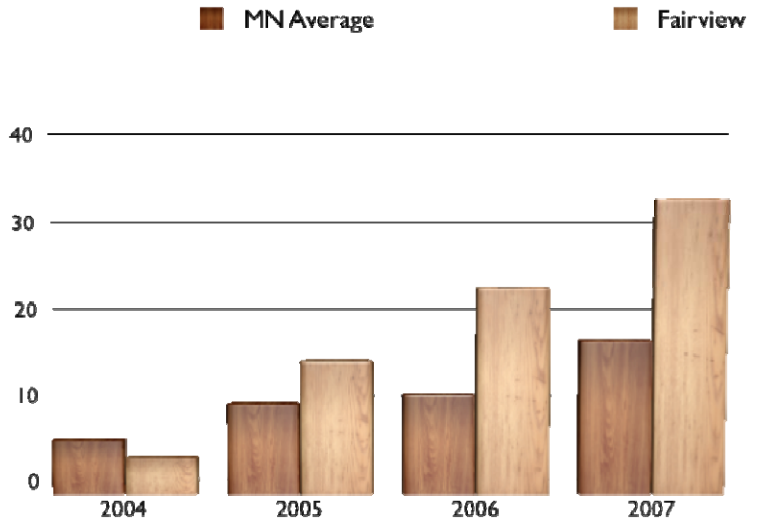
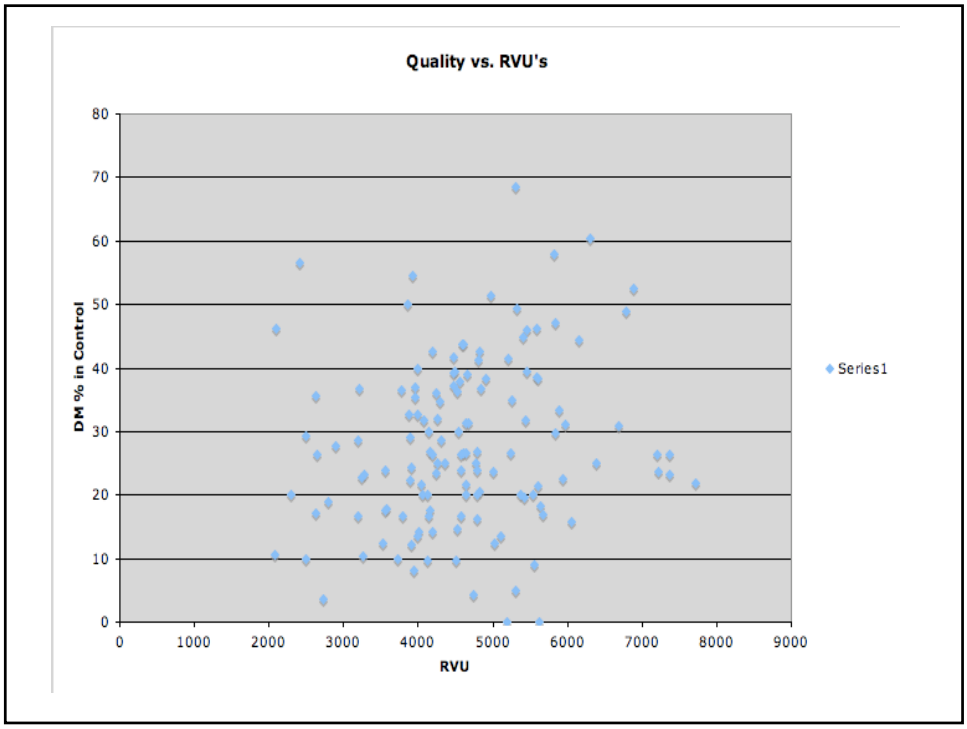
FV on the Road to Quality

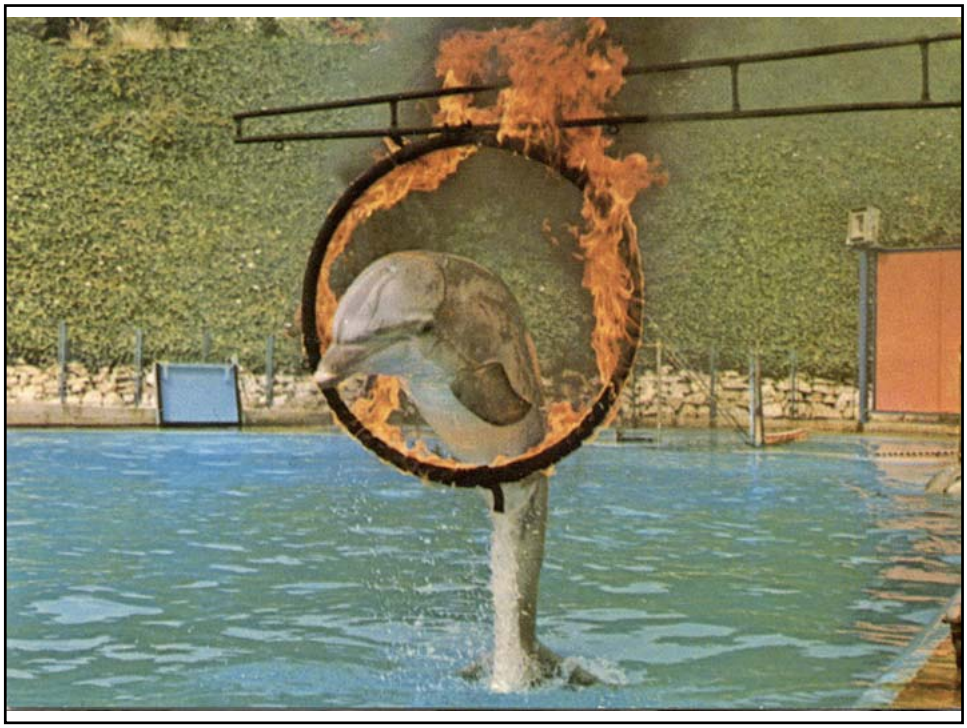
- 2004- Fairview below average in state for diabetes outcomes as reported by Minnesota Community Measurement
- 2005- average-system adds major internal P4P
- 2006- above average, but no by statistically significant amount
- 2007- FV now #1 in state. Named by MNCM & BTE as "setting the benchmark in MN for DM care."
- 2008- While many other systems are 'flat,' FV improves another 50% on its already top scores & is awarded a special commendation by the state for being best at taking care of its diverse/disadvantaged diabetic population. Also best in the state in optimal vascular disease. (Both initiatives were stimulated by P4P)

Fairview CedarRidge Clinic	above	21%
Fairview Chisago Lakes Clinic	above	21%
Fairview Crosstown Clinic	above	22%
Fairview Eagan Clinic	above	23%
Fairview EdenCenter Clinic	above	22%
Fairview Elk River Clinic	above	26%
Fairview Hiawatha Clinic	above	16%
Fairview Highland Park Clinic	above	19%
Fairview Hugo Clinic	above	30%
Fairview Jonathan Clinic	above	15%
Fairview Lakes Medical Center	above	19%
Fairview Lakeville Clinic	above	27%
Fairview Lino Lakes Clinic	above	15%
Fairview Milaca Clinic	above	19%
Fairview North Branch Clinic	above	24%
Fairview Northeast Clinic	above	19%
Fairview Oxboro Clinic	above	36%
Fairview Princeton Clinic	above	20%
Fairview Red Wing Downtown Clinic	below	11%
Fairview Red Wing Ellsworth Clinic	above	15%
Fairview Red Wing Medical Center	above	21%
Fairview Red Wing Zumbrota Clinic	above	15%
Fairview RidgeValley Clinic	above	26%
Fairview Ridges Clinic	above	29%
Fairview Rush City Clinic	above	24%

MNCM vs. FV
Diabetes Outcomes



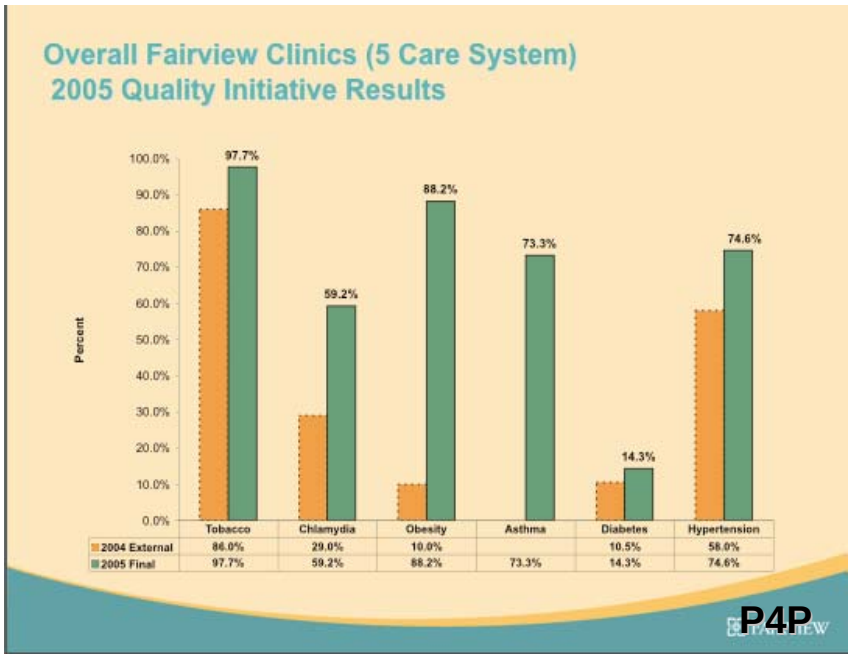

Quality vs. RVU's
DM % in Control
RVU
Series1
0
10
20
30
40
50
60
70
80
0
1000
2000
3000
4000
5000
6000
7000
8000
9000



"I saw the same doctor for 21 years and had diabetes during that time. We rarely discussed why my A1c was off. And then I went to this new doctor and I have to tell you I was like, "Whoa!" Not only does she care, she's holding me super-accountable for stuff. There is no screwing around with this woman. And my A1c went right where it was supposed to go."

The 1st year initiatives:

- **Diabetes** - 10% on the "all five" of optimal care (FP/IM)
- **Asthma** - 75 % on controller meds & AAP on file (FP/IM/Peds)
- **HTN** - 70% of hypertensive patients ≤ 140/90 (FP/IM)
- **BMI** - 90% of patients screened for obesity (all)
- **Tobacco use** - 95% of patients screened for use or passive exposure (Trigger)
- **Chlamydia** - 65% of sexually active patients (13-26)
  screened (Gyn only)



The Follow-up

- Next year we increased the DM target by 50% (from 10 to 15%) - yet still blew by our target
- The following year, we raised the target from 15% to 24% and wound up at 32.8%

P4P NOT Responsible for "Rise to the Top" of Major Health System

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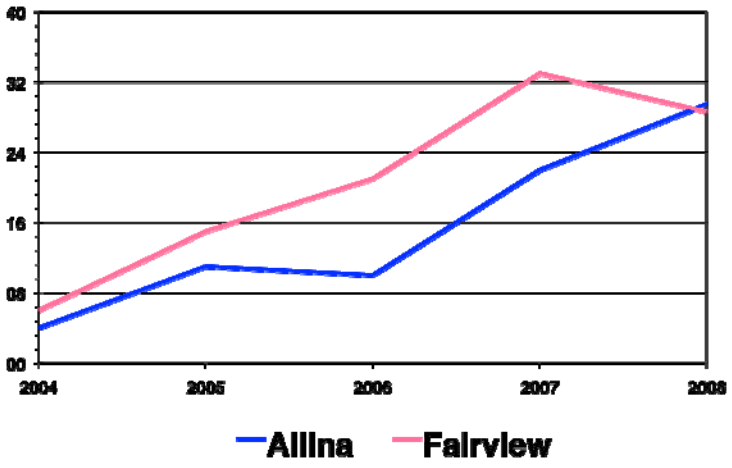
What We Know About Incentives

- Three basic types of incentives:
  - Financial
  - Social
  - Moral (intrinsic)
- Financial incentives change behavior.

Allina v. Fairview

Percent Of Patients with Optimal Diabetes Care (%)



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What We Know About Incentives

"Punished By Rewards"

– Alfie Kohn ©1993

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Problems with Financial Incentives

1. When the financial incentive stops so does the behavior.
2. Financial incentives change how you feel about what you get paid for.
3. Financial incentives can displace social and intrinsic motivation.
4. Financial Incentives Can Create a Culture of “Do This – Get That”.
5. Social and Intrinsic Incentives are More Powerful and More Flexible then Financial Incentives.
6. Financial incentive systems are too much work.

An Alternative: Use Social and Intrinsic Incentives to Change Behavior

Creating Social and Intrinsic Incentives

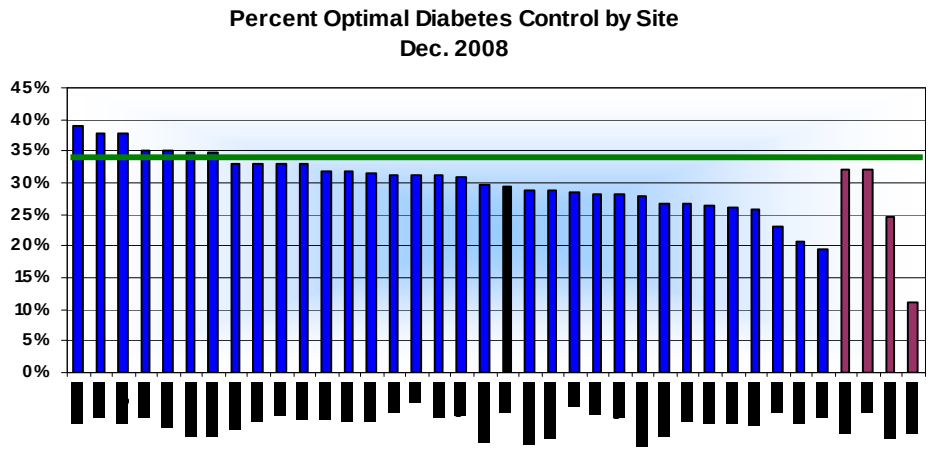
- Use evidence and patient stories to crystallize "What we are fighting for."

  Roughly 90 persons a year die of asthma every year in Minnesota - CDC 2005

  Regular use of inhaled steroids reduced the risk of fatal and near fatal asthma by 90% - Ernst, et al, JAMA 268;24:1992

- Develop a communication method so everyone is touched, including staff. Make sure the message is transmissible, is transmitted, and is received.

Provide Comparative Feedback and Use Transparency



Drill down to individual physicians then patients

Teach Leaders to Lead

- Leaders need to own the message and have the courage to talk to their colleagues. Practice!

  "In the end all change depends on one clinician talking to another."

- Always check back and aim for 100% follow-through. This drives culture change.

  "A policy not observed is far worse than no policy at all."

When Using Incentives

- Use financial incentives for activities not intrinsically motivating.
- Involve physicians in selecting goals.
- Eliminate competition – all should be able to succeed.
- Use group goals when possible.
- Make rewards as similar to the intrinsic motivation as possible.
- Provide help to reach goals.

Future Plans & Advice
Barry Bershow

- Care model re-design
- 40% pay for quality
- Moving away from RVUs

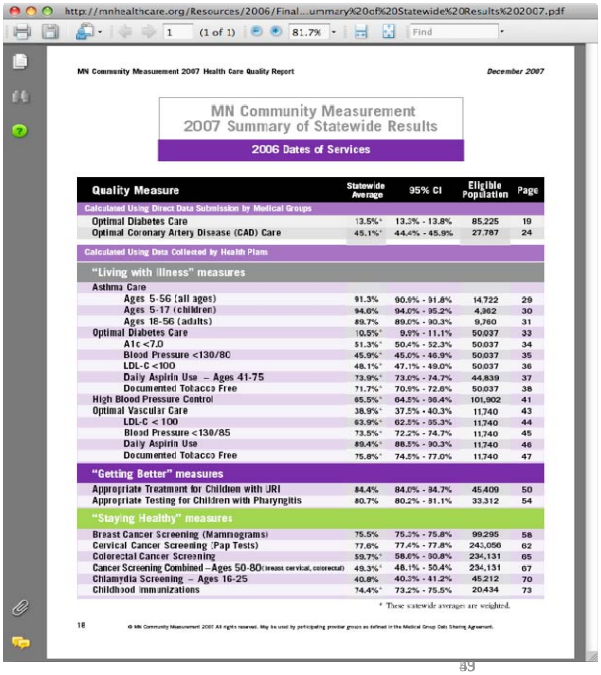
Future Plans & Advice
Bruce McCarthy

- Still 98% RVU based compensation
- Internal compensation will change when external compensation changes – medical home care management compensation

Appendices

MNCM 2007 Report

All Measures



http://mnhealthcare.org/Resources/2006/Final...ummary%20of%20Statewide%20Results%202007.pdf

MN Community Measurement 2007 Health Care Quality Report — December 2007

MN Community Measurement
2007 Summary of Statewide Results

2006 Dates of Services

Quality Measure	Statewide Average	95% CI	Eligible Population	Page
Calculated Using Direct Data Submission by Medical Groups				
Optimal Diabetes Care	13.5%*	13.2% - 13.8%	85,225	19
Optimal Coronary Artery Disease (CAD) Care	45.1%*	44.4% - 45.9%	27,787	24
Calculated Using Data Collected by Health Plans				
"Living with Illness" measures				
Asthma Care				
Ages 5-56 (all ages)	91.3%	90.9% - 91.8%	14,722	29
Ages 5-17 (children)	94.6%	94.0% - 95.2%	4,962	30
Ages 18-56 (adults)	89.7%	89.0% - 90.3%	9,760	31
Optimal Diabetes Care	10.5%	9.8% - 11.1%	50,037	33
A1c <7.0	51.3%*	50.4% - 52.3%	50,037	34
Blood Pressure <130/80	45.9%*	45.0% - 46.9%	50,037	35
LDL-C <100	48.1%*	47.1% - 49.0%	50,037	36
Daily Aspirin Use -- Ages 41-75	73.9%*	73.0% - 74.7%	44,839	37
Documented Tobacco Free	71.7%*	70.8% - 72.6%	50,037	38
High Blood Pressure Control	65.5%*	64.5% - 66.4%	101,902	41
Optimal Vascular Care	38.9%*	37.5% - 40.3%	11,740	43
LDL-C < 100	63.9%*	62.5% - 65.3%	11,740	44
Blood Pressure <130/85	73.5%*	72.2% - 74.7%	11,740	45
Daily Aspirin Use	89.4%*	88.5% - 90.3%	11,740	46
Documented Tobacco Free	75.8%*	74.5% - 77.0%	11,740	47
"Getting Better" measures				
Appropriate Treatment for Children with URI	84.4%	84.0% - 84.7%	45,409	50
Appropriate Testing for Children with Pharyngitis	80.7%	80.2% - 81.1%	33,312	54
"Staying Healthy" measures				
Breast Cancer Screening (Mammograms)	75.5%	75.2% - 75.8%	99,295	58
Cervical Cancer Screening (Pap Tests)	77.6%	77.4% - 77.8%	243,056	62
Colorectal Cancer Screening	59.7%*	58.6% - 60.8%	234,131	65
Cancer Screening Combined -- Ages 50-80 (breast, cervical, colorectal)	49.3%*	48.1% - 50.4%	234,131	67
Chlamydia Screening -- Ages 16-25	40.8%	40.3% - 41.2%	45,212	70
Childhood Immunizations	74.4%*	73.2% - 75.5%	20,434	73

* These statewide averages are weighted.

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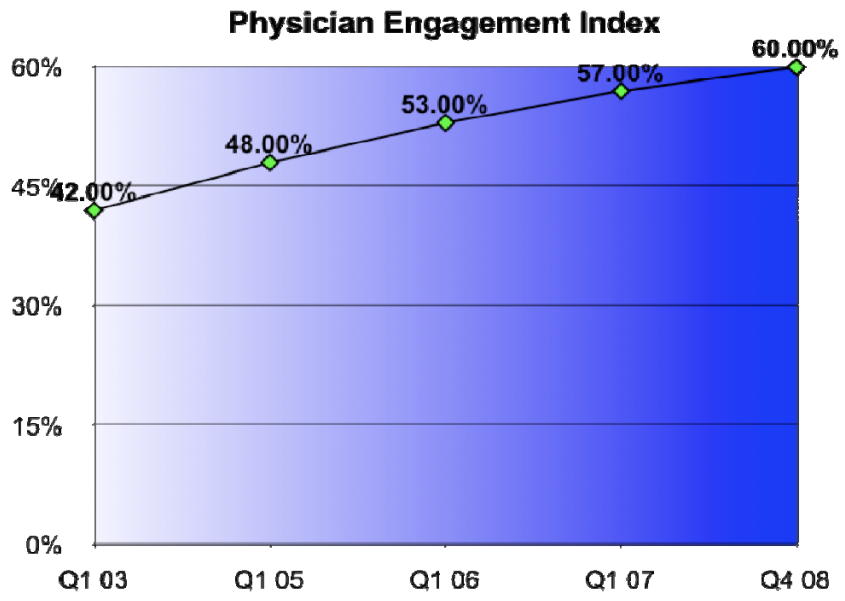
Allina



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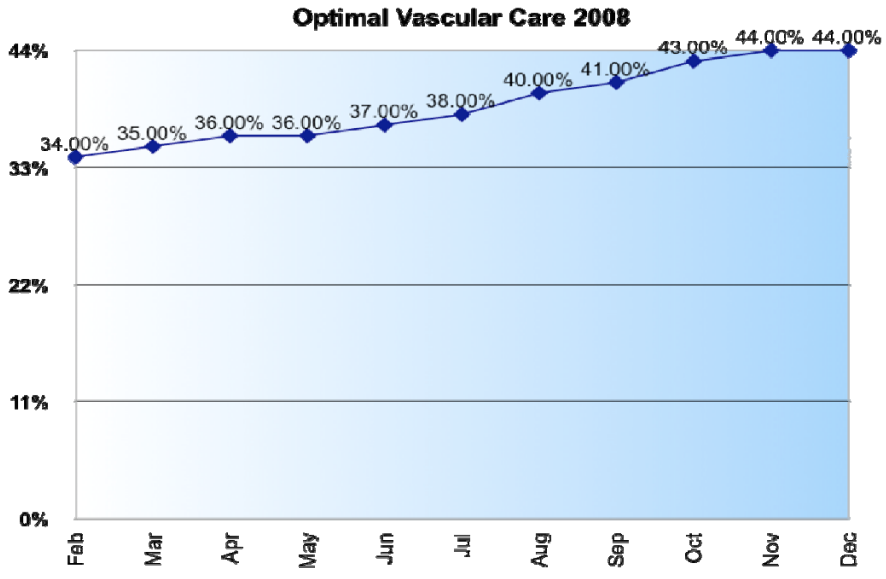
Allina



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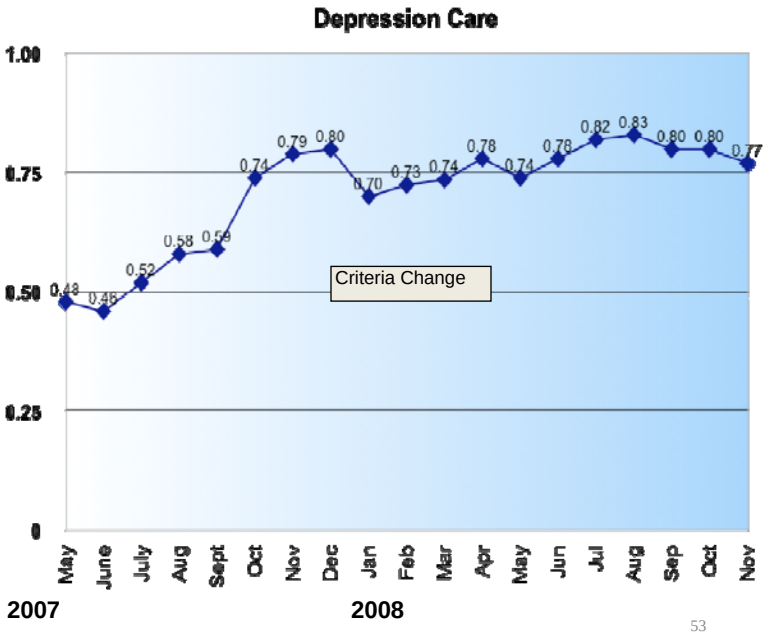
Allina



Fairview
Plan details - Year 1 (2005)

- $15,000/physician pot guaranteed by FV- 75% regardless of financial performance
- All money received from health plans or BTE is added to the pot and split by those being rewarded
- Work on all initiatives for your specialty + patient satisfaction
- At end of year, random selection (“the dart”) determines what you will be graded on
- If your clinic/department hits the target for that initiative, you get the whole amount ($17,230 in 2005)
- Miss the target for the selected initiative and get $0.00

Fairview
Plan details - Year 2 (2006)

- $15,000/physician pot guaranteed by FV
- All money received from health plans & BTE is added to the pot and split by those being rewarded
- Work on all initiatives for your specialty + patient satisfaction
- At end of year, **70%** of pot awarded in **thirds**- 30% awarded based on patient satisfaction scores (this portion depends on meeting EBITDA)
- If your clinic/department hits the target for each initiative, you get the per initiative amount ($5k-7k per initiative)

Fairview
Plan details - Year 3 & 4 (2007-'08)

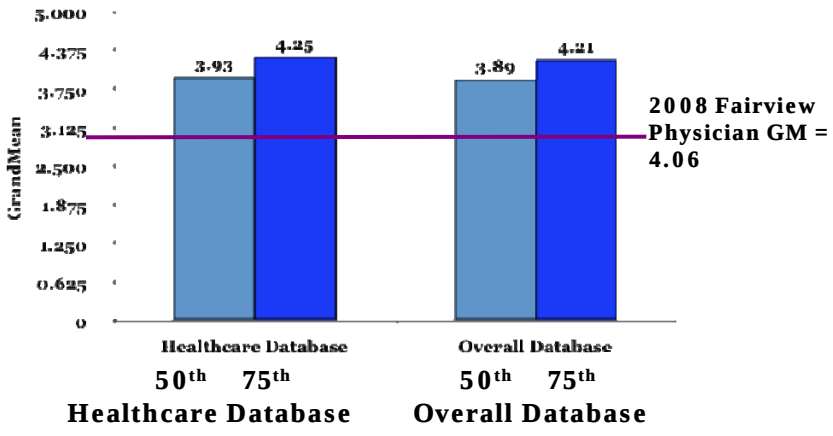
- $15,000/physician pot guaranteed by FV
- All money received from health plans or BTE is added to the pot and split by those being rewarded
- Work on all initiatives for your specialty + patient satisfaction
- At end of year, 70% of pot awarded in thirds- 30% awarded based on patient satisfaction scores (this portion depends on meeting EBITDA)
- If your clinic/department hits the target for each initiative, you get the per initiative amount ($5k per initiative)
- **Three targets** were set per initiative (**min, target, & max**)- payout was **25%, 50%, or 100%** based on where you scored
- Some clinics in '07 & all in '08 gave up the health plan contribution to staff

2008 Fairview Physician Engagement

Viewpoint Results

April 2008

Fairview's Physician Engagement Compared to Gallup's Overall and Healthcare Databases



Physician Engagement Improving Faster Than Fairview Overall