What Do Employers Really Want? Evolution of a P4P Program to Prove Real Value to Employers

GRIPA Clinical Integration
Contracting for Physicians Directly with Employers

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P4P Summit Session 2.06 March 10, 2009

gripa
health care could look like this™

Agenda Overview

- GRIPA Snapshot
- Clinical Integration: the Legal Story
- GRIPA CI Program & FTC Opinion
- Value for Insurers
- Value for Employers
- P4P: Cost Savings Model
- Discussion, Questions

History of GRIPA

- PHO in Rochester, NY
- Formed in 1996 to negotiate and manage risk contracts with HMOs
- 50% owned by 700 physician shareholders
- 50% owned by a hospital system with 1/3 market share and now employing 1/3 of its physicians
- Full Risk for up to 120,000 lives, peaked in 2005
  - ~70% of member physicians' gross revenue
- Developed Care Management, "P4P" 1999

GRIPA's Infrastructure

Staff of ~40 and capabilities required to support its contracts, including departments for:

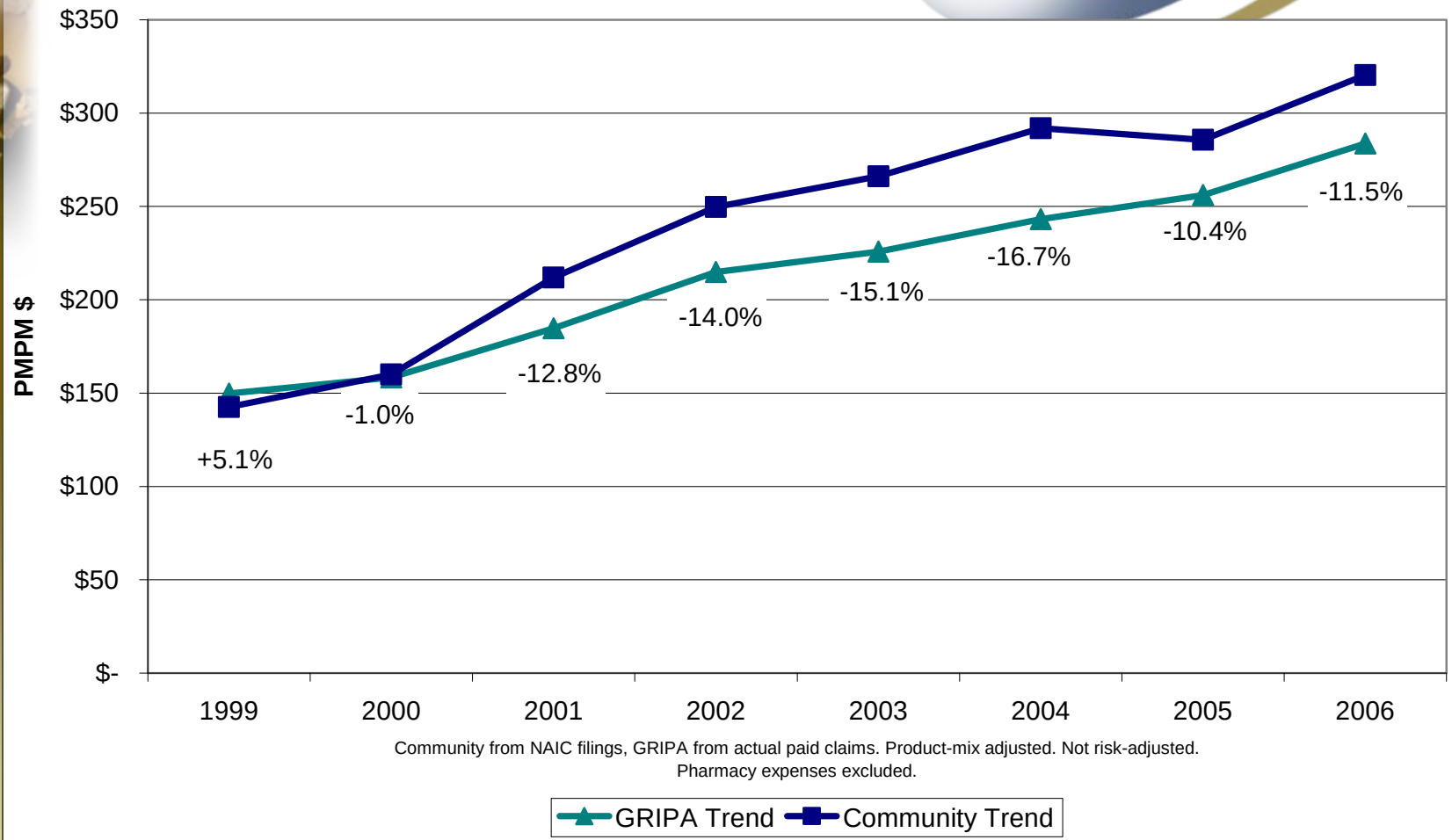
- Care Management
- Provider Relations/Credentialing
- Information Technology
- Data Analysis
- Financial/Actuarial/Contracting functions

Track record of managing risk, controlling costs and improving quality

Cost Efficiency under Risk Contracts

GRIPA Medical Expense vs Community Trends

(% above/below community)



Community from NAIC filings, GRIPA from actual paid claims. Product-mix adjusted. Not risk-adjusted.
Pharmacy expenses excluded.

Changing Marketplace

- Capitation decreasing
- Insurers direct contract with each physician/group
- Insurers set up their own P4P
- Employers can't absorb premium increases
- Most private physicians in groups <=5 by choice
- Antitrust constraints on fee-for-service contracting

Clinical Integration: The Legal Story

Sherman Antitrust Act (1890) prohibits agreements among private, competing individuals or businesses that *unreasonably* restrain competition

Options:

- Merging of practices – not preferred
- Messenger model – no negotiation/incentive
- Direct contracting – some win, most lose
- Financial integration – capitated risk
- Clinical integration

Clinical Integration: Definition

"An *active* and *ongoing* program to evaluate and modify the clinical practice patterns of the physician participants so as to create a high degree of *interdependence* and *collaboration* among the physicians to *control costs* and *ensure quality*."

FTC/DOJ Statements of Antitrust Enforcement Policy in Health Care, #8.B.1 (1996)
http://www.ftc.gov/bc/healthcare/industryguide/policy/statement8.htm

Clinical Integration: *(No cookie-cutter approach)*

What the FTC looks for:

- "the development and adoption of clinical protocols"
- "care review based on the implementation of protocols"
- "mechanisms to ensure adherence to protocols"
- "the use of common information technology to ensure exchange of all relevant patient data"

Improving Health Care: A Dose of Competition
FTC/DOJ, Ch. 2, p.37 (July 2004).

GRIPA Response: planning committee 3/05

Our private physicians
are not ready for multi-specialty group

Clinical Integration identified as alternative

- Achievable, consistent with goals
- GRIPA already has many components
  - Guidelines, P4P, Care Mgmt
- Physicians want help with technology
- Physicians want to provide quality care

GRIPA: Progress Toward CI

6/2005 Clinical Integration ratified as goal, consultants and legal team identified

12/2005 BOD approved CI business plan, contracted with vendor for IT infrastructure

Early 2006 Portal design

2006 Data source contracts & interfaces: Imaging centers, clinical laboratories, hospitals

6/2006 - FTC advisory opinion request submitted

7/2006 Contracts to private physicians & hospital system

Late 2006
- Practice Mgmt system interfaces
- IBM review of IT readiness

Early 2007 Roll-out web portal to physician offices

2007 More data source contracts & interfaces
-Imaging centers, clinical laboratories, hospitals
-Regional Health Information Organizations (RHIO's)

2007 Continue risk contracts for 610 physicians...

9/17/2007 +FTC Advisory Opinion gives our physicians confidence & incentive to move forward with CI

2008 >
CI contracts with Self Insured and Portal enhancements

GRIPA receives (2nd ever) favorable FTC Advisory Opinion on its CI plan 9/17/07

"… it appears that GRIPA's proposed program will involve substantial integration by its physician participants that has the potential to result in the achievement of significant efficiencies that may benefit consumers."

GRIPA's FTC Advisory Opinion 9/17/07

http://www.ftc.gov/bc/adops/gripa.pdf

GRIPA CI Committee Structure

Clinical Integration Committee (The CIC)

- 12 member physicians
  - 6 PCPs or OB/Gyn & 6 specialists
- Appointed for staggered 3-year terms
- Charged with:
  - Overseeing the CI Program
  - Developing guidelines/measures used to monitor individual and network performance

GRIPA CI Committee Structure

Specialty Advisory Groups (SAGs)

- Each has representatives of all specialties affected by a guideline
- Discussion of diseases across specialties seen as positive experience by our physicians

Quality Assurance Council (QAC)

- 16 member physicians
- Staggered one-year terms, by lottery
- Monitor performance of individual providers
- Develop Corrective Active Plans as necessary

Guidelines Developed To Date

Guidelines as of 12/08

Allergic Rhinitis
Asthma
Back Pain, Acute Low
CAD & Other Atherosclerotic Vascular Diseases
Childhood Immunizations
Cholelithiasis
Colon Cancer
COPD
Depression, Major (Management)
Depression, Major (Screening)
Diabetes Mellitus, Adult
Diverticulitis
Deep Vein Thrombophlebitis
Heart Failure
Hyperlipidemia
Hypertension
Ischemic Stroke/TIA (Secondary Prevention)
Melanoma, Cutaneous
Men (Preventive Care)
Migraine Headache (Management)
Neuropathic Pain (Management)
Obesity (Management)
Osteoarthritis/Degenerative Joint Disease Pain (Management)
Osteoporosis (Management)
Osteoporosis (Screening)
Pain, Chronic
Pediatrics (Preventive Care)
Pharyngitis, Acute
Prostate Cancer (Management)
Rheumatoid Arthritis (Management)
TIA (Management)
Urolithiasis
Women (Preventive Care)

Tools to Help Providers

Point of Care Alerts (POC)

- Available at the point of care to all physicians caring for a particular patient
- Displays services that patient is overdue for or beyond goal ("Actionable Alerts")
- Updates dynamically as transactional data is received
- Accept online feedback
  - patient mis-identified with a disease
  - patient had procedure elsewhere
  - patient has a contra-indication related to an alert

Care Opportunity Reports (COR)

- Population report to look at all "actionable" items on all patients within a practice
- Filters allow physician to focus on a subset of population
- Allows offices to do outreach to those patients in need of services

Point of Care (POC) Alerts – patient specific

Managed Conditions

Add

Managed Condition	ICD-9	Date Diagnosed	Rank		
Prevention		unspecified	1	delete	edit
Diabetes		8/30/2007	2	delete	edit
Hyperlipidemia		6/29/2007	3	delete	edit
Pneumovax Candidate		8/30/2007	4	delete	edit

Patient Alerts

Back to Care Opportunity Grid

Actionable Alerts only

Lab

Measure (Alert) Name	Last Value	Date Last Value	Patient Goal	Population Goal	Due Date
A1c	7.4	8/4/2008	< 7	< 7	1/31/2009
Triglycerides	168	8/4/2008	< 150	< 150	8/4/2009

Back to Care Opportunity Grid

Care Opportunity Report (COR) – provider specific

Please select desired criteria before applying the filter.

Site Dr Nielson's Test Practice

Provider

Condition

Alert To Display

Apply Filter

Care Opportunities Patient List

Patient	Age	# of Actionable Alerts	% of all Alerts	Patient's PCP	Last Action
GRIPA, ALERT2	41	5	15%	Eric Nielsen	
PATIENT, ALERTC	10	1	4%	Eric Nielsen	10-08-2007 | PCP Visit
PATIENT, ALERTD	42	9	20%	Eric Nielsen	06-01-2007 | Cervical Cancer Screening
PATIENT, ALERTE	56	4	12%	Eric Nielsen	
PATIENT, ALERTB	32	5	15%	Eric Nielsen	04-25-2008 | PCP Visits for Allergic Rhinitis ENT/Allergist)
PATIENT, ALERTF	2	2	7%	Eric Nielsen	09-17-2007 | Varicella Count
PATIENT, ALERTI	8	1	3%	Eric Nielsen	04-14-2008 | Rapid Strep Test Count
PATIENT, ALERTA	54	9	20%	Eric Nielsen	09-20-2007 | Depression Screening for sor
PATIENT					

Feedback to MDs & Compliance Monitoring

Physician Achievement Report (PAR)

- Not shared with anyone but the responsible provider
- Dynamically updated (feedback to physicians)
- Used to determine which physicians may need assistance
- Care Management staff also uses as a case finding tool to determine which patients to assist
- Basis of Pay for Performance Program

Physician Achievement Report Design provider top level

GRIPA Connect Clinical Integration

GRIPA Connect Clinical Integration

Physician Achievement Report (PAR)

Provider:

Data last updated: 1/15/2009

Report Date: 1/20/2009

Performance Reporting for the Clinical Integration program is based on performance of the entire panel of participating physicians and provides incentives to work collaboratively to increase quality and efficiency. The Physician Achievement Report (PAR) informs each physician of his or her performance and how the physician contributes to the performance of the network.

CI Measure	Your Current Rate (%)	Change from Prev Qtr	Target Rate (%)	Performance (Your Rate / Target, 0%–100%)	Your Patient Count	Previous CI Quarter Comparisons: Group Practice Rate (%)	GRIPA Network Rate (%)	GRIPA Best Physician Rate (%)
⊞ Coronary Artery Disease	73.1 %		74.0 %		236			
⊞ Diabetes	73.8 %		68.3 %		300			
⊞ Hyperlipidemia	81.9 %		80.0 %		1,026			
⊞ Hypertension	71.2 %		82.5 %		887			
⊞ Prevention	37.3 %		65.0 %		786			

Please direct comments and questions to: GRIPA Provider Relations 60 Carlson Rd Rochester, NY 14610
Phone: (585) 922-1525 Fax: (585) 922-0016 Email: gripa.network@rochestergeneral.org

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Physician Achievement Report Design
provider drill down

GRIPA Connect Clinical Integration

GRIPA Connect Clinical Integration

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⊟ Coronary Artery Disease	**73.1 %**		**74.0 %**		**236**			
• Lipid Panel or one of the following components (Triglycerides, HDL or LDL) in last 12 months	76.7 %	+9.4	76.0 %		236	69.2 %	51.9 %	85.7 %
• Most recent LDL result in the last 12 months < 100mg/dL	74.8 %	-3.1	81.0 %		159	75.8 %	75.4 %	100.0 %
• Most recent HDL result in the last 12 months > 40mg/dL	66.0 %	-0.4	72.0 %		159	63.2 %	62.9 %	84.2 %
⊟ Diabetes	**73.8 %**		**68.3 %**		**300**			
• >=2 A1cs in the last 12 months	69.7 %	+5.9	65.0 %		300	51.2 %	56.0 %	89.5 %
• Most recent A1c in the last 12 months < 7	72.9 %	-2.3	70.0 %		229	65.8 %	56.0 %	83.3 %
• Lipid Panel or one of the following components (Triglycerides, HDL or LDL) in last 12 months	84.0 %	+6.6	79.0 %		300	66.4 %	69.2 %	94.1 %
• Most recent LDL result in the last 12 months < 100mg/dL	77.1 %	-3.5	79.0 %		227	72.8 %	68.5 %	89.4 %
• Most recent HDL result in the last 12 months > 40mg/dL	66.4 %	+0.3	78.0 %		226	63.6 %	66.3 %	98.0 %
• Most recent Triglyceride result in the last 12 months < 150mg/dL	72.1 %	-1.7	72.0 %		226	68.0 %	64.4 %	85.0 %
• Urine microalbumin in the last 12 months	72.7 %	+4.1	60.0 %		300	54.4 %	47.1 %	76.9 %

Guidelines | Performance Management

Clinical Guideline Goals:

- Physicians collaborate on guidelines
- Guidelines for all specialties
- Guidelines evidence-based

Performance Management Goals:

- Identify individual providers who may need assistance to meet quality and efficiency goals
- Improve performance of entire network in order to attract favorable Clinical Integration contracts

Value of Clinical Integration for our Physicians

Elements that help our network physicians to do a better job in their offices with their patient:

- Real-time lab and other information shared across the network,
- Pro-active disease and care management functions done in the doctor's office or patient's home, including pharmacy,
- Robust patient referral system maximizing use of efficient network,
- Electronic prescribing (reducing errors, increasing the use of lower-cost alternatives and identifying interactions),
- Clinical guidelines that cover over 85% of medical expenses,
- Higher standards for provider care (raising overall performance and reducing variability, incentivized by pay-for-performance).

Value of Clinical Integration for Insurers

Direct Medical Expense Savings					
		2009	2010	2011	Total
Membership		40,000	39,200	38,400	
Average PMPM		$ 300	$ 330	$ 363	
Savings	%	2.9%	5.6%	8.3%	
	PMPM	$ 9	$ 19	$ 30	
Total Savings		$4,100,000	$8,800,000	$14,000,000	$26,900,000

- Based on the Bridges-to-Excellence [2] model of 8.3%
  - Three year trend to ramp up to the full potential
  - Overall medical expense trend of 10% per year
  - Decrease in fully-insured membership of 2% per year.

[2] Bridges-To-Excellence (BTE) is a nationally-recognized Pay-for-Performance (P4P) program [http://www.bridgestoexcellence.org]

More Market Reality for GRIPA

Pro's

- GRIPA has engaged several insurers with a national focus and awareness of the value of CI
- Local self-insured employers see value of CI and of contracting directly with GRIPA

Con's

- Local dominant insurers committed to direct contracting
- Some TPA's may not release employers' claims data
- No model for CI contracting with employers

What Attracts Employers?

- Contracting directly with physicians
- Potential to beat trend in cost increases
- Alignment of physician P4P with employer savings
- Opportunity for limited panel products
- Physician group investing in & collaborating on quality and cost savings
- Care Mgmt that is more than telephonic Disease Mgmt
- IT platform unparalleled in our community
- Customized reports and analyses
- Help with benefit design
- Onsite wellness programs

Keys to Aligning Incentives

- Physician-chosen measures based on evidence and high standards of care
- Consistent message to Physicians – treat all patients the same; no variation in focus regardless if different employers choose different gain-share models
- Educating employers about trends/costly conditions
- Committing to and tracking realized cost savings that align with evidence-based physician measures

Measure Selection / Cost Savings

- Physician-chosen measures based on evidence
- Grading the evidence
  - Strength of Evidence (SOE)
  - Strength of Recommendation (SOR)
- Creation of a “Library” of potential measures
- Measure selection criteria
- Weighting the measures
- Scoring
- Financial payout to physicians

P4P – Measure Selection Criteria

Strength of Evidence (SOE)	Recommendation present	Reliable data collection	Include in P4P?
Moderate or strong	Y or N	Yes	Y
Consensus, weak, moderate, strong	Y	Yes	Y
CIC Override			Y

Example	Reliable?	SOE	Recommendation	Include in P4P?
Diabetes with Nephropathy Screening in the last 12 months	Y	Consensus	Yes	Yes
Heart Failure with Influenza Vaccination in last 12 months.	N	Weak	Yes	No

P4P – Measure Weighting

Measure	SOE *	SOR *	Cost Savings (1=Yes; 0=No)	Total Weight
CAD with Lipid Panel in last 12 months	1	1	0	2
CAD with LDL < 100	4	4	1	9

- * SOE/SOR Values:
  - 4=Strong
  - 3=Moderate
  - 2=Weak
  - 1=Consensus

P4P – Scoring and Financial Payout

- **Scoring** – based on:
  - Improvement since last quarter
  - Points above Target

- **Financial Payout** (when incentive pool available):
  - = **Base Payout:** same incentive payment for all GRIPA CI physicians
  - + **Case Management Add-on:** based on # of contracted members for which a physician can be identified as the "Personal Physician"
  - + **Overall P4P Score Payout**

Start with Population Statistics (for example employer)

Condition	'09 Avg Total cost/pt(inc Rx)	Members w Condition(s)	Population prevalence	2009 Total Est Med Expenses	Rx % Cost	% Members non-Compliant
Hyperlipidemia only	$ 2,164	116	1.1%	$ 251,097	28%	57%
Obesity Only	$ 2,529	190	1.8%	$ 480,248	18%	n/a
Hypertension only	$ 2,796	833	7.9%	$ 2,330,030	23%	23%
Chronic Pain Only	$ 3,950	527	5.0%	$ 2,083,300	21%	n/a
Diabetes only	$ 4,540	211	2.0%	$ 957,853	34%	91%
CAD Only	$ 5,262	116	1.1%	$ 610,518	30%	67%
CHF Only	$ 4,117	7	0.1%	$ 28,966	15%	n/a
Asthma Only	$ 3,011	264	2.5%	$ 793,929	28%	n/a
COPD Only	$ 6,554	24	0.2%	$ 158,997	14%	n/a
Any 2 Conditions	$ 4,103	559	5.3%	$ 2,293,881	27%	55%
Any 3 Conditions	$ 6,524	264	2.5%	$ 1,720,282	29%	89%
Any 4 Conditions	$ 10,412	158	1.5%	$ 1,647,434	28%	93%
Any 5 or more Conditions	$ 17,120	81	0.77%	$ 1,390,507	23%	50%
Total for Members with any of these 9 conditions	$ 4,401	3351	32%	$ 14,747,041		
Members w/ none of these 9 conditions	$ 999	7197	68%	$ 7,189,794		
Total for all Members		10548		$ 21,936,835		
% of Total Med Expense for these 9 conditions				67%		

Show Specific Cost Savings Opportunities for each Condition

A1c Results - Reduction in Medical Expense

A1c Baseline Level *	# of Diabetic Patients	2009 Annual Cost reduction/per patient if A1c lowered to 7% or less	2009 Potential Cost savings
6-7%	283	$ -	$ -
7.1 - 8%	159	$ 235	$ 37,367
8.1 - 9%	118	$ 824	$ 97,202
9.1 - 10%	40	$ 2,001	$ 80,049
> 10%	51	$ 3,769	$ 192,201
Total Diabetic Patients	651		
		Total Annual Potential Savings =	**$ 406,818**

Show Specific Cost Savings Opportunities for each Condition

Summary of CI/Care Mgmt Activities	# of members	Annual Projected Savings PMPY*
	651	$ 625
bi-annual Hgb A1c		
annual lipid panel.		
annual urine microalbumin		
annual eye examination.		
annual influenza vaccine		
mgmt drugs compliance		
Total Annual Potential Savings		**$ 406,818**

Putting it all together (for our example employer)

Opportunity Targets		Potential Annual Savings
Hyperlipidemia only	$	27,000
Hypertension only	$	56,000
Diabetes only	$	407,000
CAD only	$	162,000
Asthma only	$	46,000
Drug Management Cost Savings	$	383,000
Others not quantified but savings anticipated*		
Total Potential Annual Savings	**$**	**1,081,000**
Percent estimated savings (on expenses $21.9M)		4.9%
Estimated base cost of GRIPA CI program ($2 PMPM for 10,500 members)	$	252,000
Net Potential Annual Savings	**$**	**829,000**
Percent net estimated medical expense savings		3.8%

Overview of GRIPA Clinical Integration

- High-performing provider network
- Robust value-driven pay-for-performance system rewarding quality and efficiency
- Proven integrated care management services
- State-of-the-art technology integrating actionable patient information
- Full benefits available only to contracted members

Our vision for CI:

Clinical integration delivers higher quality patient care by creating a connected community of physicians, hospitals, labs and imaging facilities with electronic access to patient information, support from patient care managers and assistance to fulfill a commitment to evidence-based clinical care.

Clinical Integration for Employers

CI Program created by physicians

- Getting physicians on board first
- Supplying the right tools to succeed
- And the right incentives
- Collaborating to improved quality and efficiency
  - at both individual provider and network levels

Contract with self-insured employers

- willing to share savings
- to achieve lower costs and to improve the health of their employees and dependents

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