Creating the Strongest Possible Incentive with Pay for Performance: Implications for payment strategies

Aggressive Internal Compensation in Route to QI

Pay for Performance Summit San Francisco, 3/24/11

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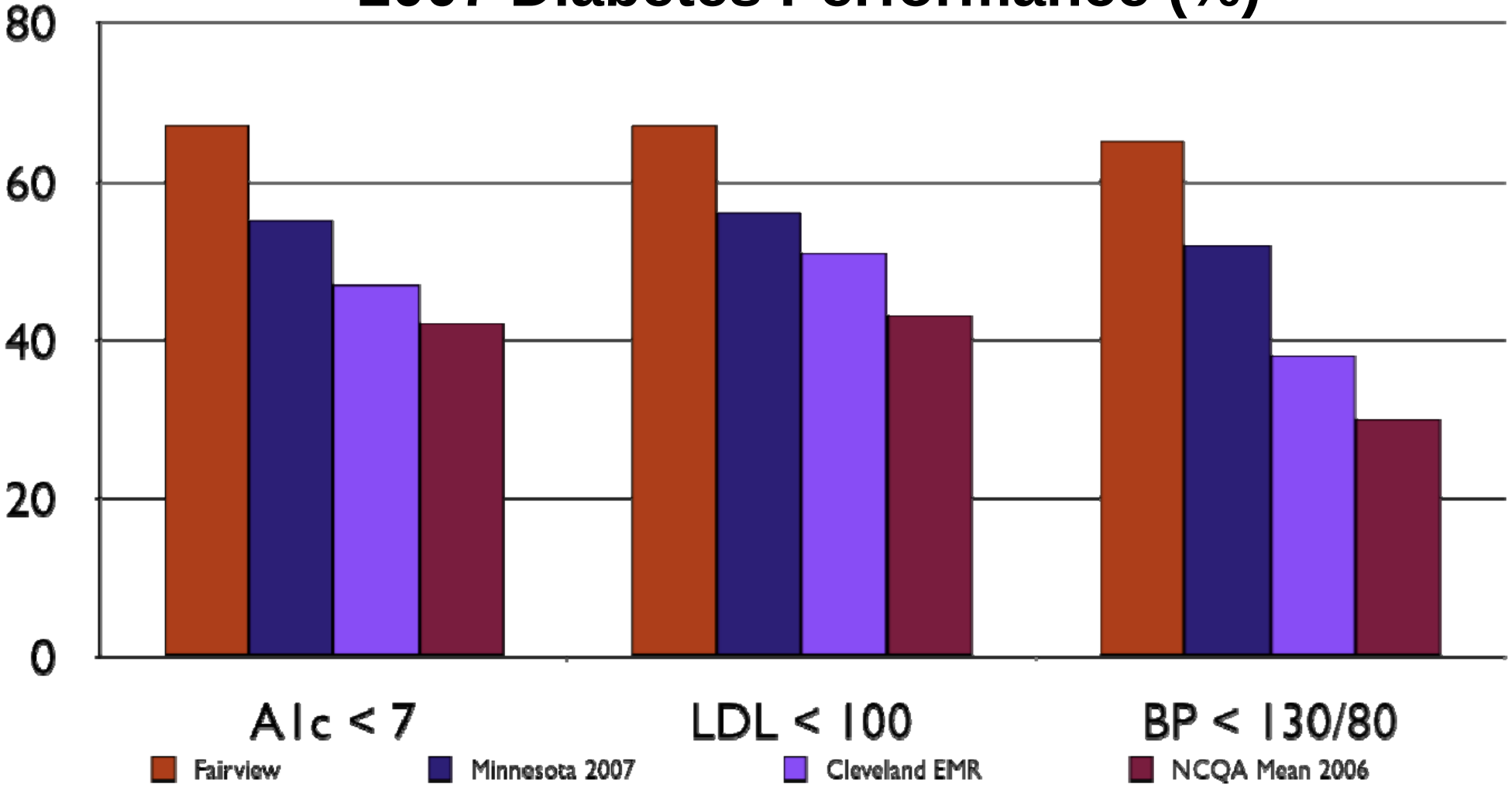
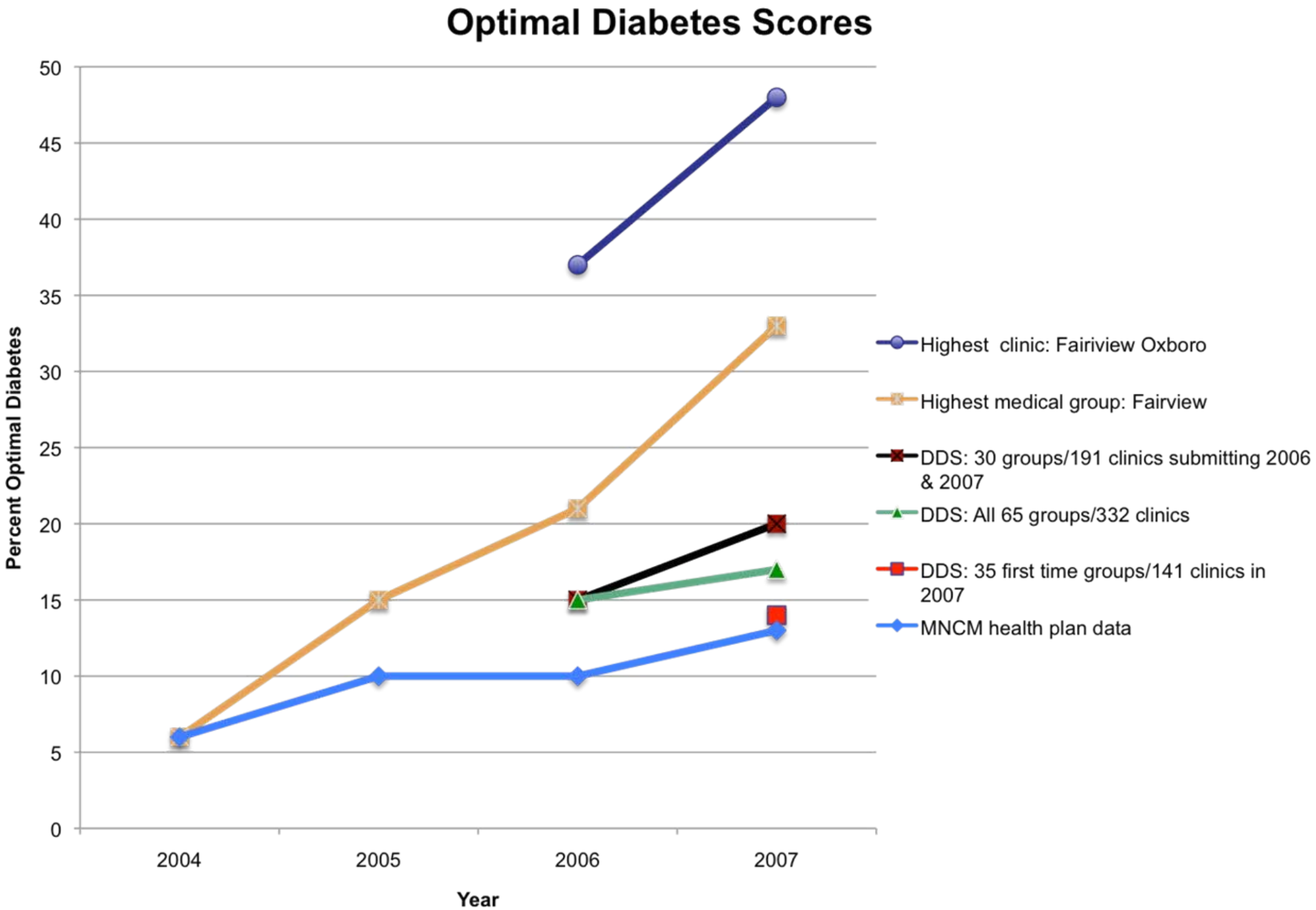
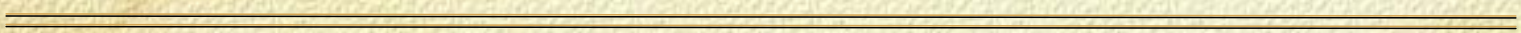
Although it makes my wife quite sad.....
I have no significant financial conflicts to disclose

- Former VP of Quality @ Fairview Health Services
- Board of Directors MNCM (unpaid position)
- Currently with Bershow Consulting, LLC (contracts with Cedars-Sinai, HHS, Quality Quest in Illinois & Stratis [the QIO in MN])

2007 Diabetes Performance (%)




Optimal Diabetes Scores
Percent Optimal Diabetes
50
45
40
35
30
25
20
15
10
5
0
2004
2005
2006
2007
Year
Highest clinic: Fairiview Oxboro
Highest medical group: Fairview
DDS: 30 groups/191 clinics submitting 2006 & 2007
DDS: All 65 groups/332 clinics
DDS: 35 first time groups/141 clinics in 2007
MNCM health plan data



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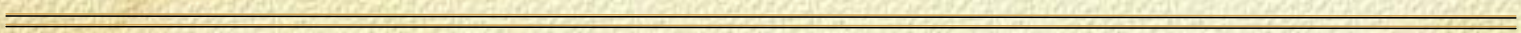
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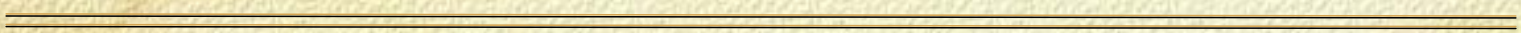
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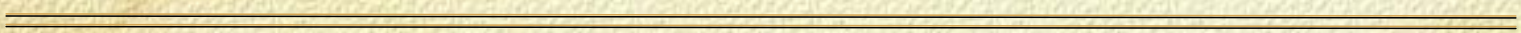
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Timeline –Building Capabilities

Volume **Value**

Fee-for-Service **Shared Savings** **Episode Payment** **Partial Capitation** **Global Payment**

Care Delivery Innovation

Medical Home

Network Development

Fairview Population

Population Health

Epic Inpatient Install

Direct Contract Capabilities

Integrated Business Intelligence

Medical Group Reorganization

Care Packages

Physician Compensation

Accountable Care Organization

Payer Contracting Methodologies

Virtual Care Expansion

Care Model Innovation Compensation Model

- The model is designed to assist in delivering greater value by aligning provider incentives to Triple Aim goals of:
  - Exceptional clinical care
  - Exceptional patient experience
  - Decreased cost of care

New Compensation Model

- Primary care provider compensation will be attractive
- Compensation aligned with Fairview strategic goals
- Provide a competitive advantage that is fair for the work primary care does, so....
- Recruitment and retention goals achieved

New Compensation Model

- Compensation model in alignment with care model innovation (CMI)
  - Care for populations
  - Incorporate innovations such as team based care (CDE's/MTM/C3PO), nurse based HTN clinics, telemedicine, virtual visits, group visits, etc. without penalizing doctors for shifting their way of practicing

CMI Compensation Pilot Assumptions

- A provider performing at median/target on **all** measures will be compensated market median compensation prorated to FTE.
- ~ 50% upside salary boost is possible
- Whenever possible, external benchmarks will be used.
- Salaries will be recalculated quarterly.
- Specialties involved: Family Medicine, Internal Medicine, Pediatrics, IM/Peds, Nurse Practitioners and Physician Assistants

Rewarding for Outcomes: Elements of CMI Compensation Plan

Performance Measures	Payout Percent	Outcomes based on	Measures based on	Payout Range
Quality	40%	Team	External benchmarks	0% to 150%
Patient Experience	10%	Team	Moving from internal to external	50% to 150%
Cost of Care	10%	Team	Internal benchmarks	50% to 150%
Productivity	40%	Team – 10% Individual - 30%	Internal benchmarks	50% to 150%

Quality – Weighted Metrics Based on Team Outcomes at the Clinic/Department Level

FP/IM/MedPeds	Pediatrics
Ischemic Vascular Disease – 30%	Childhood Immunizations – 30%
Diabetes -30%	Asthma –30%
Cancer Screening – 15%	Chlamydia -25%
Depression – 15%	Otitis Media – 1st line – 15%
Asthma – 10%	Fifth measure currently in development- possible ADHD

Additional Metrics

- **Patient Experience** – currently using FPA Survey, but moving to CG-CAHPS in 2011
- **Cost of Care**
  - –Appropriateness of High-Tech Diagnostic Imaging
  - –Follow up within 72 hours of significant health event
  - –More robust metrics as data available
- **Productivity**
  - –“Clinical Activities”

CMI Compensation Model Implementation

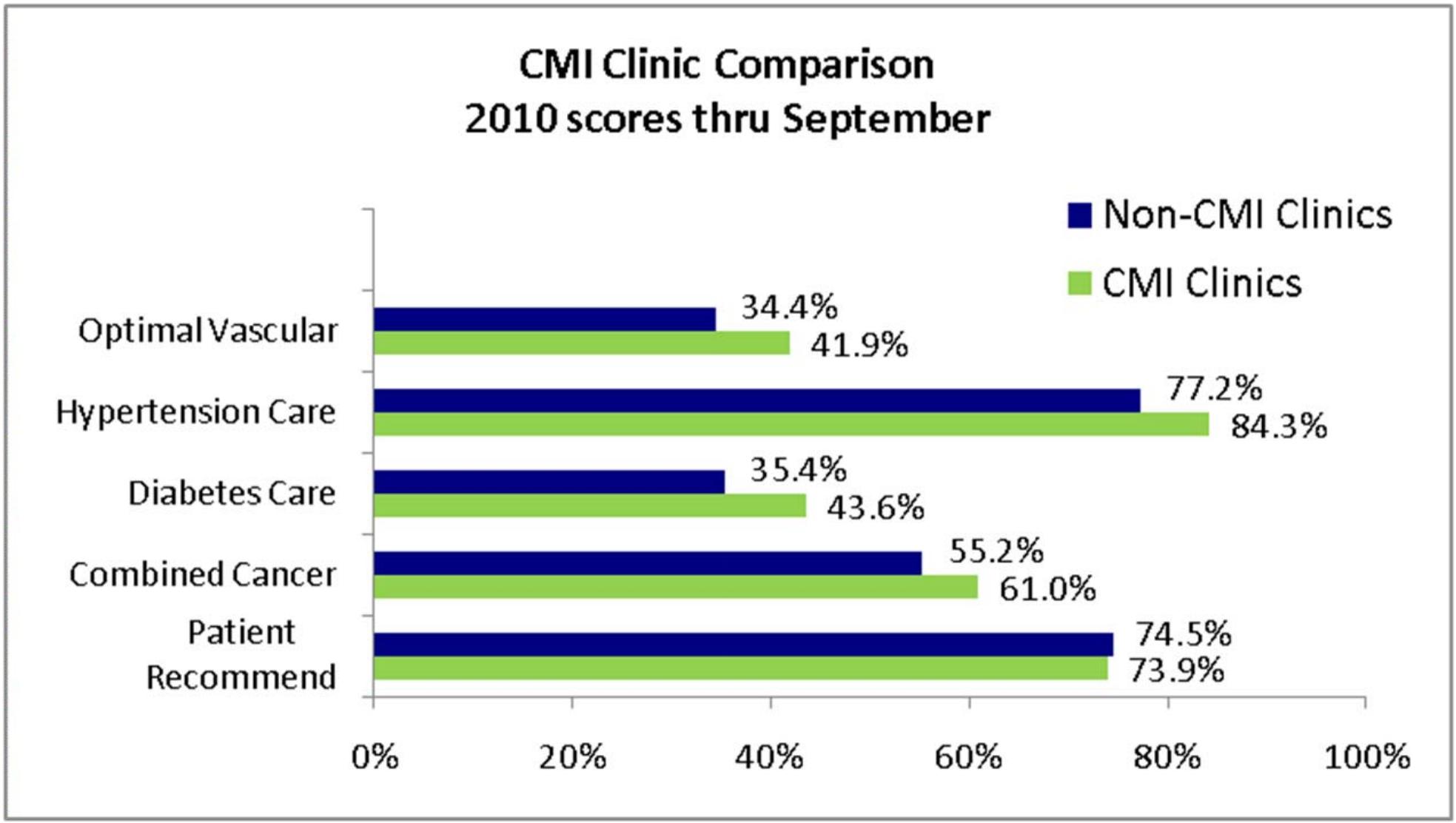
- Four sites have been compensated on the pilot model since 8/10
- Modifications have been implemented in the plan design for both immediate and future implementation based on physician feedback
- Remaining primary care sites will transition to the new model 4/11

Most Recent Model Revisions

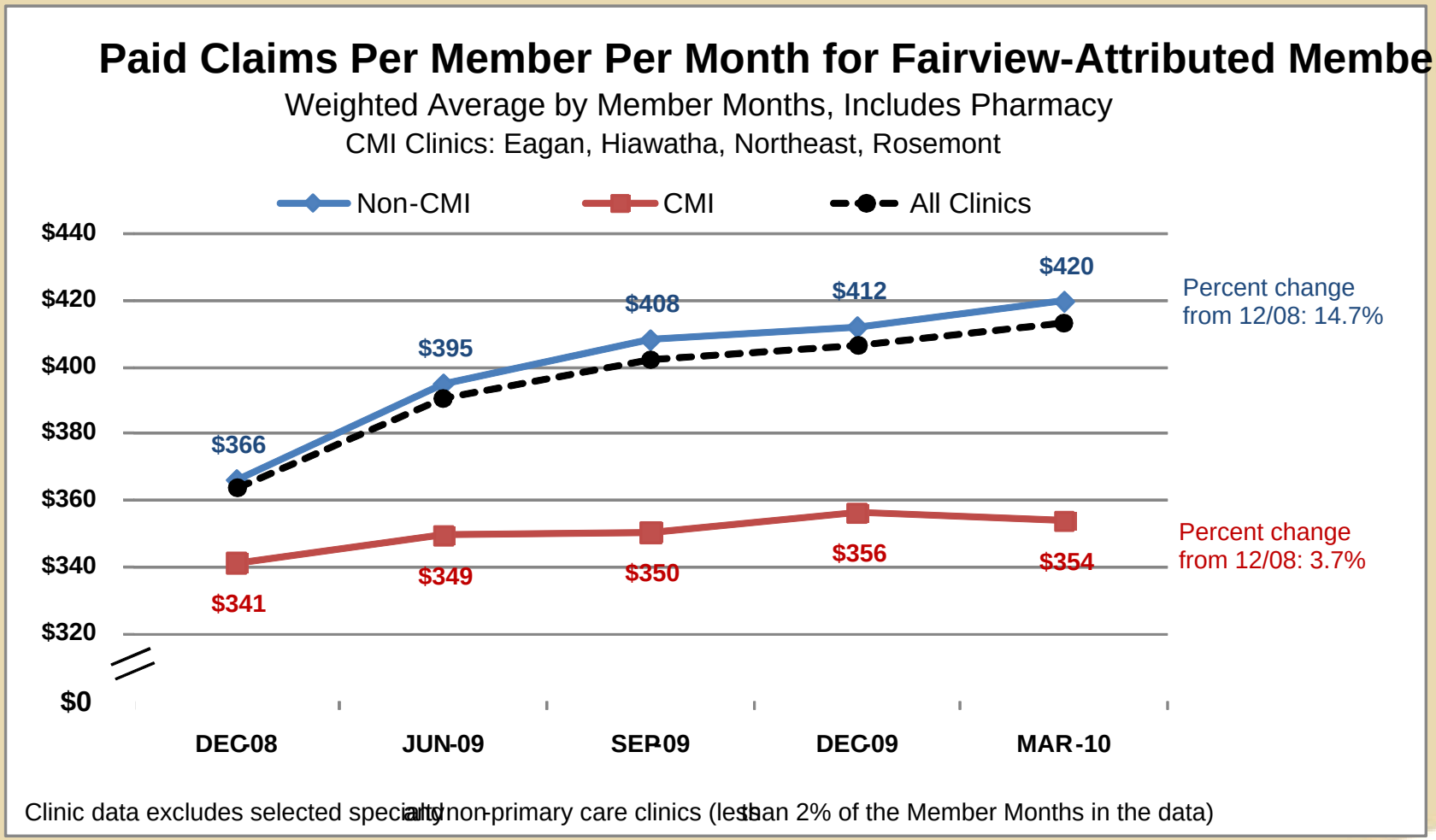
- 1/1/11: Production measure moved from Unique Patients Served to Clinical Activities (CA), measured over a rolling 12 months
- Procedures such as DEXA and EKG reads added to CA measure
- 10/1/11: Will move from FPA patient experience survey to CG-CAHPS
- 1/1/12: Addition of 5th quality measure for Pediatrics
- Timing TBD: depression quality metric will be revised to meet new MNCM definition

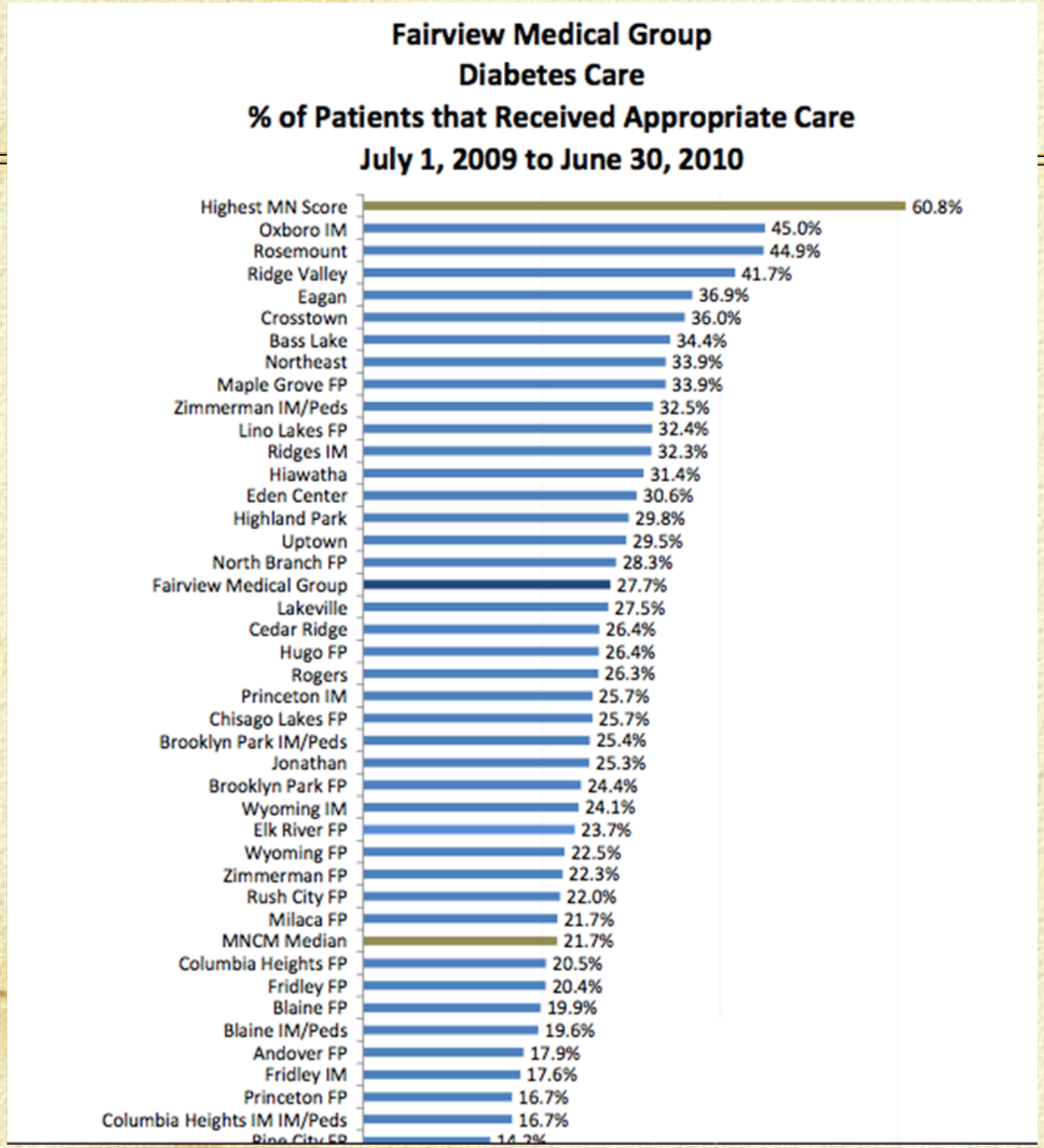
Provider Comp Change Distribution Table (Estimate August 2010)

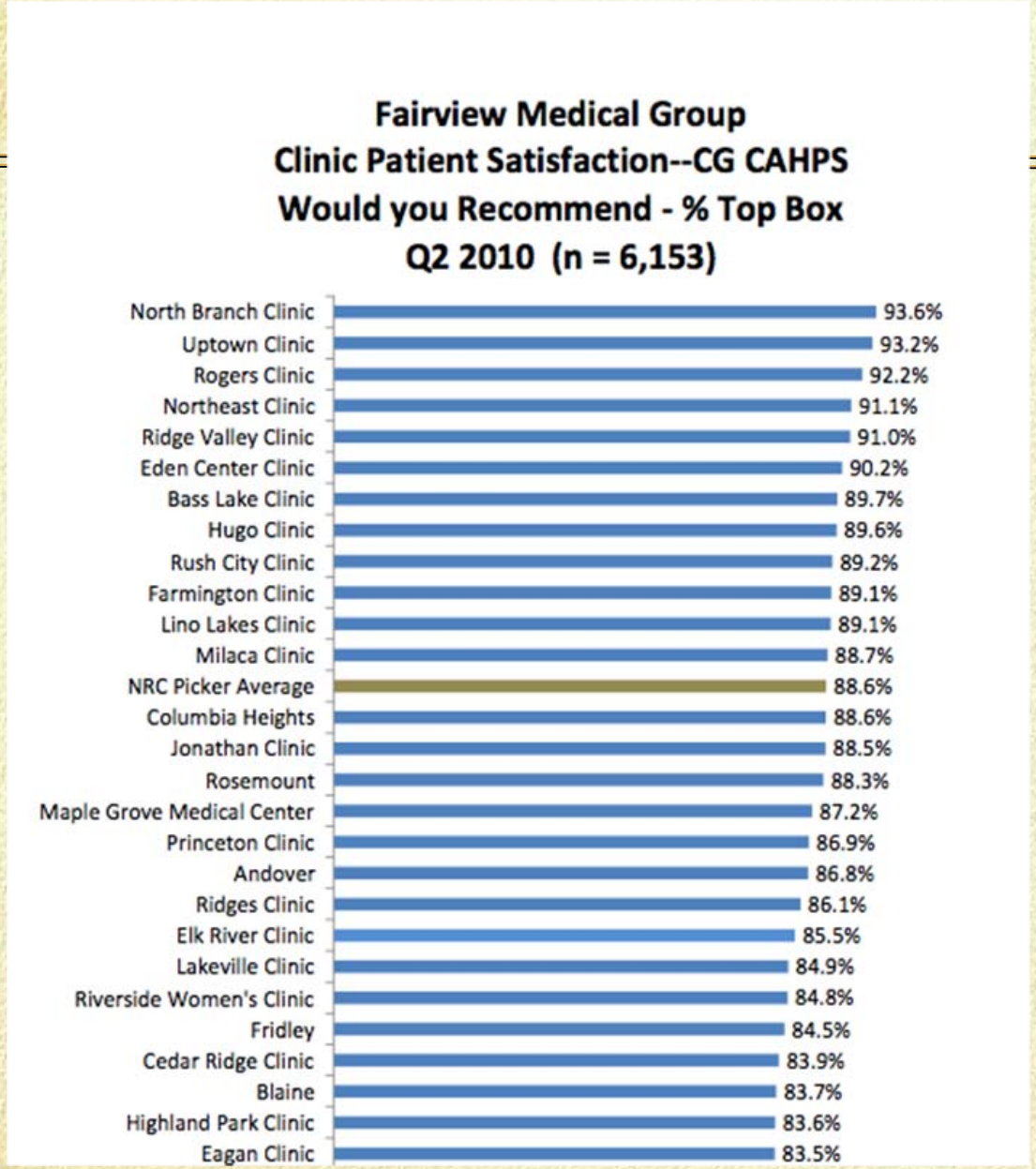
% Compensation Change from Current	# of providers
-50%+	0
-40% to -49%	0
-30% to -39%	4
-20% to -29%	4
-10% to -19%	20
0% to -9%	32
0% to 9%	41
10% to 19%	39
20% to 29%	21
30% to 39%	13
40% to 49%	7
50% +	9

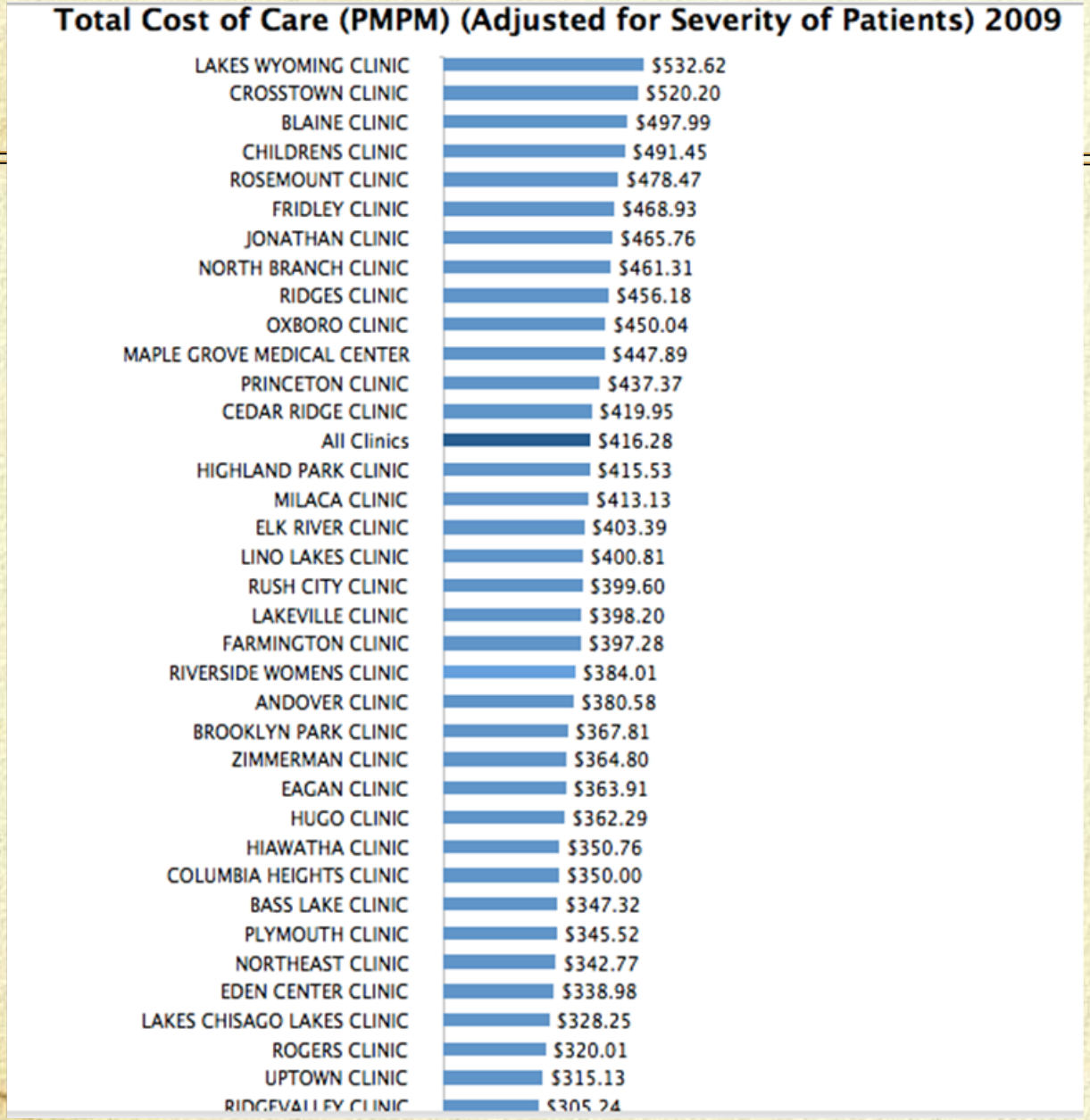

CMI Clinic Comparison
2010 scores thru September
Non-CMI Clinics
CMI Clinics
Optimal Vascular
34.4%
41.9%
Hypertension Care
77.2%
84.3%
Diabetes Care
35.4%
43.6%
Combined Cancer
55.2%
61.0%
Patient Recommend
74.5%
73.9%
0%
20%
40%
60%
80%
100%

Demonstrating Outcomes: Bending the Cost Curve

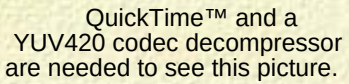



Fairview Medical Group
Diabetes Care
% of Patients that Received Appropriate Care
July 1, 2009 to June 30, 2010
Highest MN Score 60.8%
Oxboro IM 45.0%
Rosemount 44.9%
Ridge Valley 41.7%
Eagan 36.9%
Crosstown 36.0%
Bass Lake 34.4%
Northeast 33.9%
Maple Grove FP 33.9%
Zimmerman IM/Peds 32.5%
Lino Lakes FP 32.4%
Ridges IM 32.3%
Hiawatha 31.4%
Eden Center 30.6%
Highland Park 29.8%
Uptown 29.5%
North Branch FP 28.3%
Fairview Medical Group 27.7%
Lakeville 27.5%
Cedar Ridge 26.4%
Hugo FP 26.4%
Rogers 26.3%
Princeton IM 25.7%
Chisago Lakes FP 25.7%
Brooklyn Park IM/Peds 25.4%
Jonathan 25.3%
Brooklyn Park FP 24.4%
Wyoming IM 24.1%
Elk River FP 23.7%
Wyoming FP 22.5%
Zimmerman FP 22.3%
Rush City FP 22.0%
Milaca FP 21.7%
MNCM Median 21.7%
Columbia Heights FP 20.5%
Fridley FP 20.4%
Blaine FP 19.9%
Blaine IM/Peds 19.6%
Andover FP 17.9%
Fridley IM 17.6%
Princeton FP 16.7%
Columbia Heights IM IM/Peds 16.7%


Fairview Medical Group
Clinic Patient Satisfaction--CG CAHPS
Would you Recommend - % Top Box
Q2 2010 (n = 6,153)
North Branch Clinic 93.6%
Uptown Clinic 93.2%
Rogers Clinic 92.2%
Northeast Clinic 91.1%
Ridge Valley Clinic 91.0%
Eden Center Clinic 90.2%
Bass Lake Clinic 89.7%
Hugo Clinic 89.6%
Rush City Clinic 89.2%
Farmington Clinic 89.1%
Lino Lakes Clinic 89.1%
Milaca Clinic 88.7%
NRC Picker Average 88.6%
Columbia Heights 88.6%
Jonathan Clinic 88.5%
Rosemount 88.3%
Maple Grove Medical Center 87.2%
Princeton Clinic 86.9%
Andover 86.8%
Ridges Clinic 86.1%
Elk River Clinic 85.5%
Lakeville Clinic 84.9%
Riverside Women's Clinic 84.8%
Fridley 84.5%
Cedar Ridge Clinic 83.9%
Blaine 83.7%
Highland Park Clinic 83.6%
Eagan Clinic 83.5%


Total Cost of Care (PMPM) (Adjusted for Severity of Patients) 2009
LAKES WYOMING CLINIC $532.62
CROSSTOWN CLINIC $520.20
BLAINE CLINIC $497.99
CHILDRENS CLINIC $491.45
ROSEMOUNT CLINIC $478.47
FRIDLEY CLINIC $468.93
JONATHAN CLINIC $465.76
NORTH BRANCH CLINIC $461.31
RIDGES CLINIC $456.18
OXBORO CLINIC $450.04
MAPLE GROVE MEDICAL CENTER $447.89
PRINCETON CLINIC $437.37
CEDAR RIDGE CLINIC $419.95
All Clinics $416.28
HIGHLAND PARK CLINIC $415.53
MILACA CLINIC $413.13
ELK RIVER CLINIC $403.39
LINO LAKES CLINIC $400.81
RUSH CITY CLINIC $399.60
LAKEVILLE CLINIC $398.20
FARMINGTON CLINIC $397.28
RIVERSIDE WOMENS CLINIC $384.01
ANDOVER CLINIC $380.58
BROOKLYN PARK CLINIC $367.81
ZIMMERMAN CLINIC $364.80
EAGAN CLINIC $363.91
HUGO CLINIC $362.29
HIAWATHA CLINIC $350.76
COLUMBIA HEIGHTS CLINIC $350.00
BASS LAKE CLINIC $347.32
PLYMOUTH CLINIC $345.52
NORTHEAST CLINIC $342.77
EDEN CENTER CLINIC $338.98
LAKES CHISAGO LAKES CLINIC $328.25
ROGERS CLINIC $320.01
UPTOWN CLINIC $315.13
RIDGEVALLEY CLINIC $305.24

Will this be good, bad or ugly?
How will this all work out?



In leaving you, my advice is:

- Aim high & you will wind up in high places
- Aim low and you'll be disappointed even if you hit your goals
- Those who say it can't be done should get out of the way of those who are already doing it!

How to identify and prevent whiney doctors:

QuickTime™ and a
YUV420 codec decompressor
are needed to see this picture.

Thank you! Questions?

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- Please call or write if questions