

National P4P Survey

5th Survey Reflects the Changing Landscape

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President and CEO Med-Vantage



2010 Survey Sponsors



Med-Vantage provides health plans with software solutions for consumer transparency, provider performance management, and quality improvement.



IHA's P4P program includes 8 health plans and over 200 medical groups representing 35,000 physicians providing care for 11.5 million HMO members.



The Leapfrog Group aims to use its members' collective leverage to initiate breakthrough improvements in the safety, quality, and affordability of health care for Americans.



Agenda

- ▶ Survey Methodology and History
- ▶ Survey Results
- ▶ Summary and Perspectives



Survey Methodology

- ▶ Online survey
- ▶ Solicited responses via email and telephone calls
- ▶ Piloted with two health plan organizations before implementation
- ▶ *Question changes designed in collaboration with Blue Cross Blue Shield Association*
- ▶ *Blue Cross Blue Shield Association administered survey with matched questions*
- ▶ Participation much harder to get this time

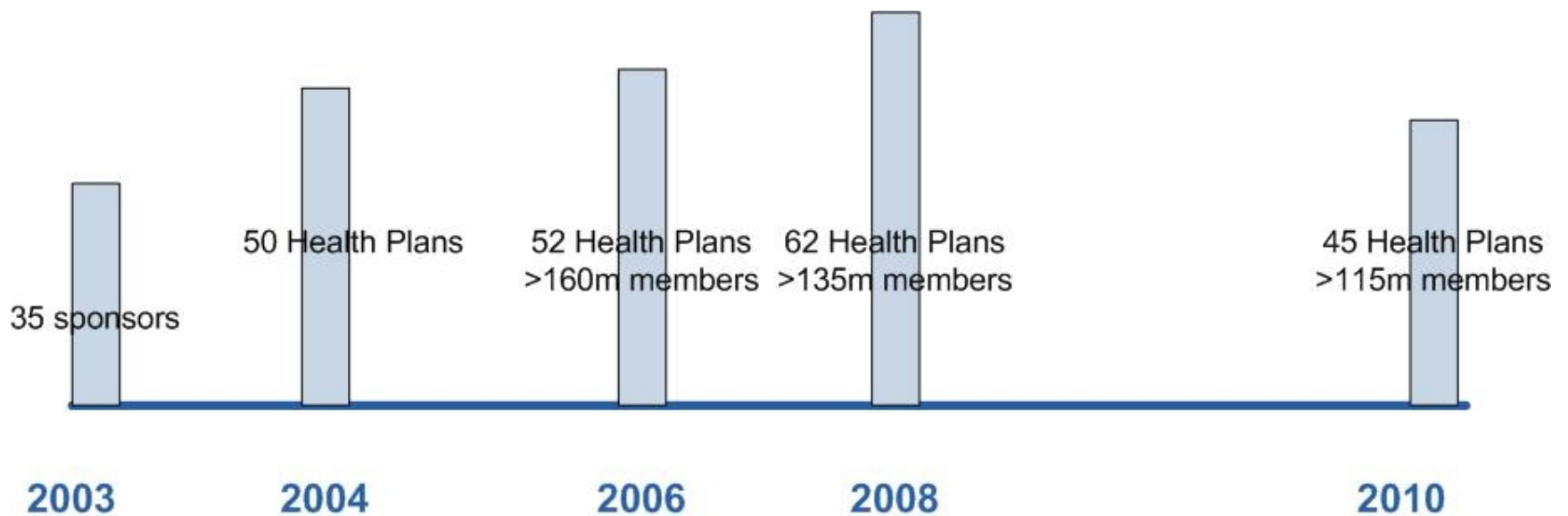


Survey Content Changes

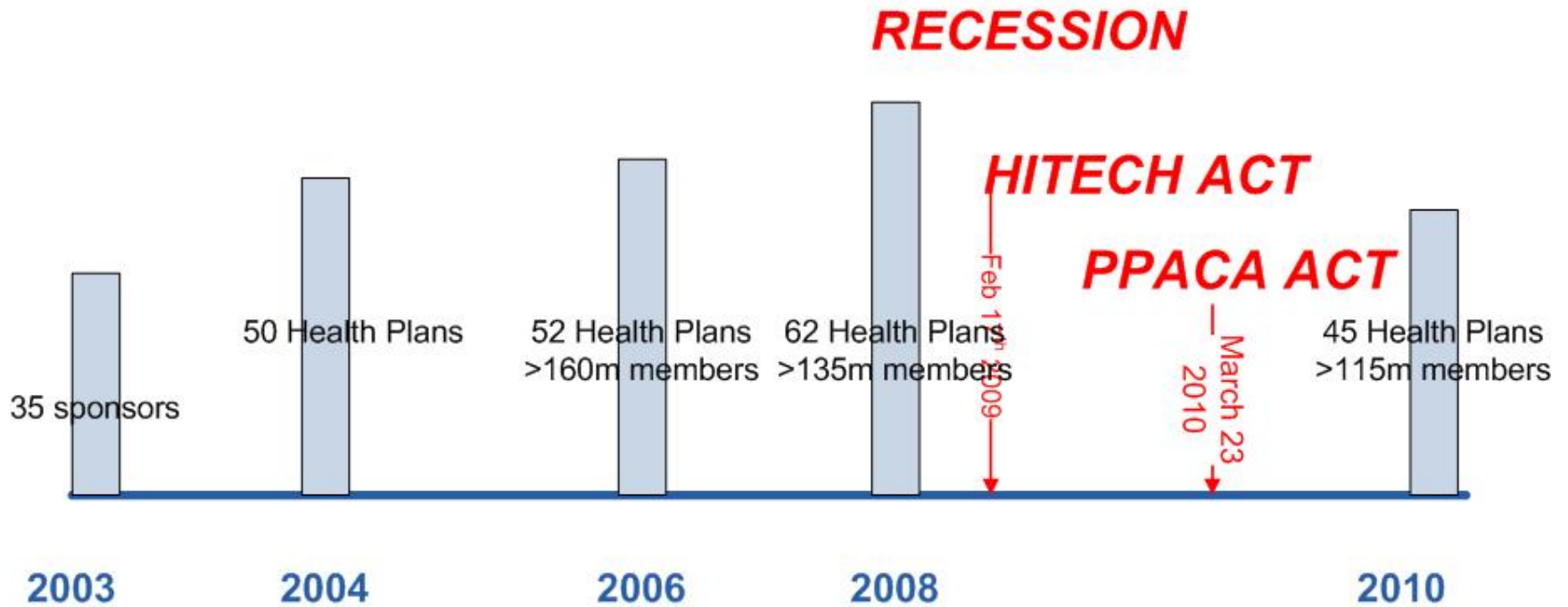
- ▶ Added some new questions on payment reform
- ▶ Removed some questions to make survey shorter :
 - Drivers for creating your P4P programs
 - Sources for the measures in your P4P programs
 - Feedback mechanisms used to communicate performance with physicians
 - Sharing methodologies and seeking input from providers on measures and methodologies



Survey History



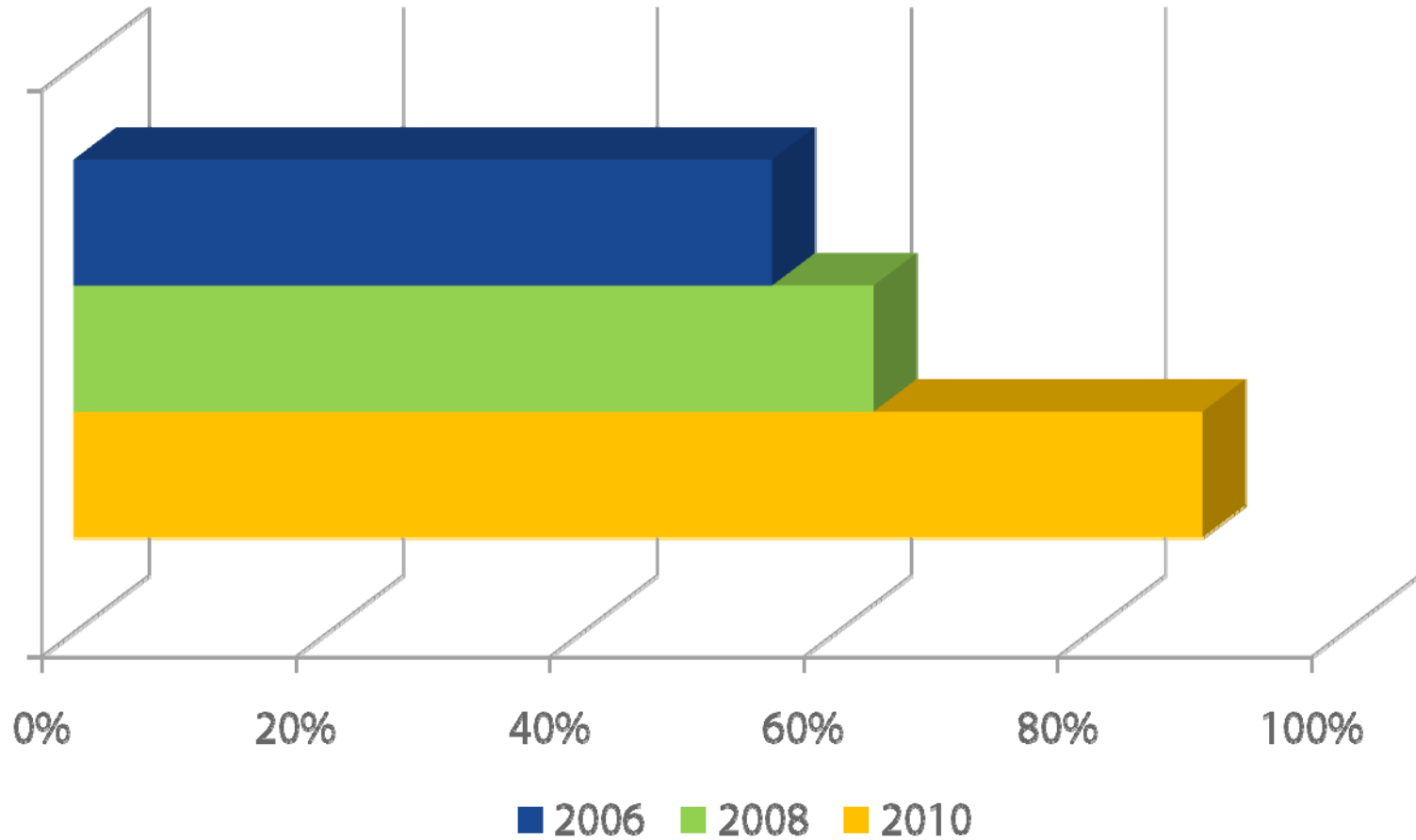
Survey History



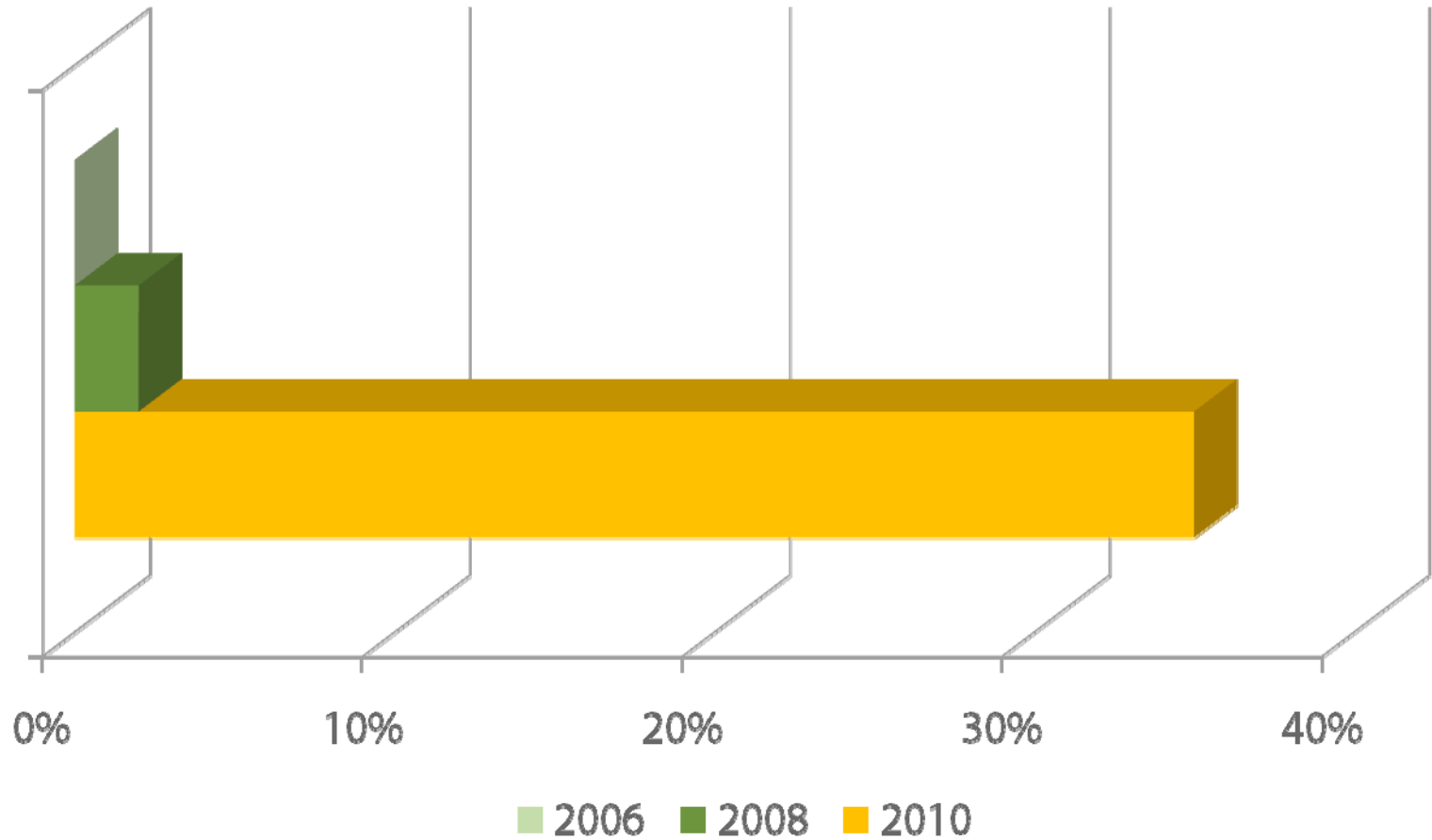
Survey Results



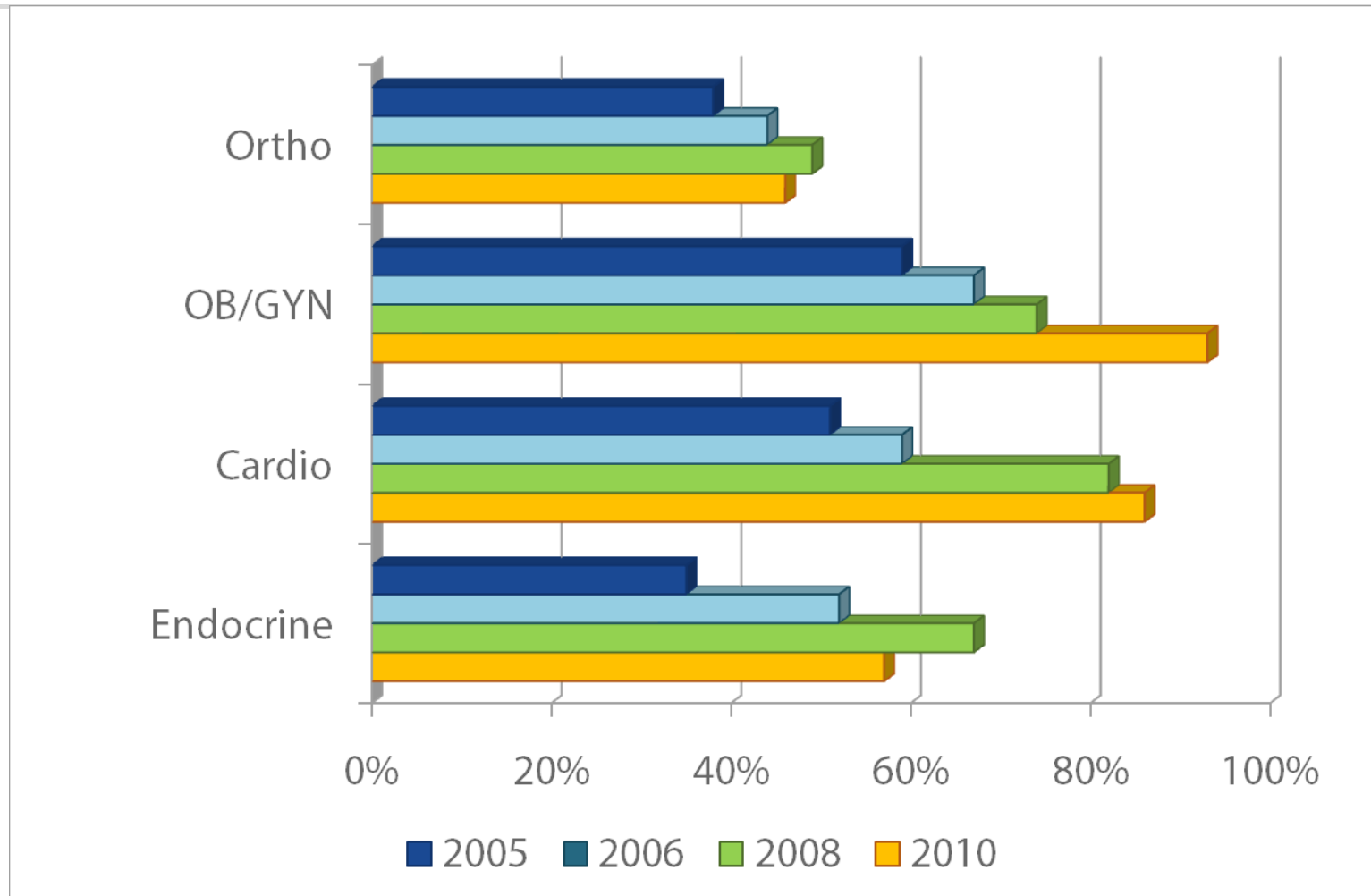
More Plans Report Primary Care P4P



More Plans With Specialist Only P4P



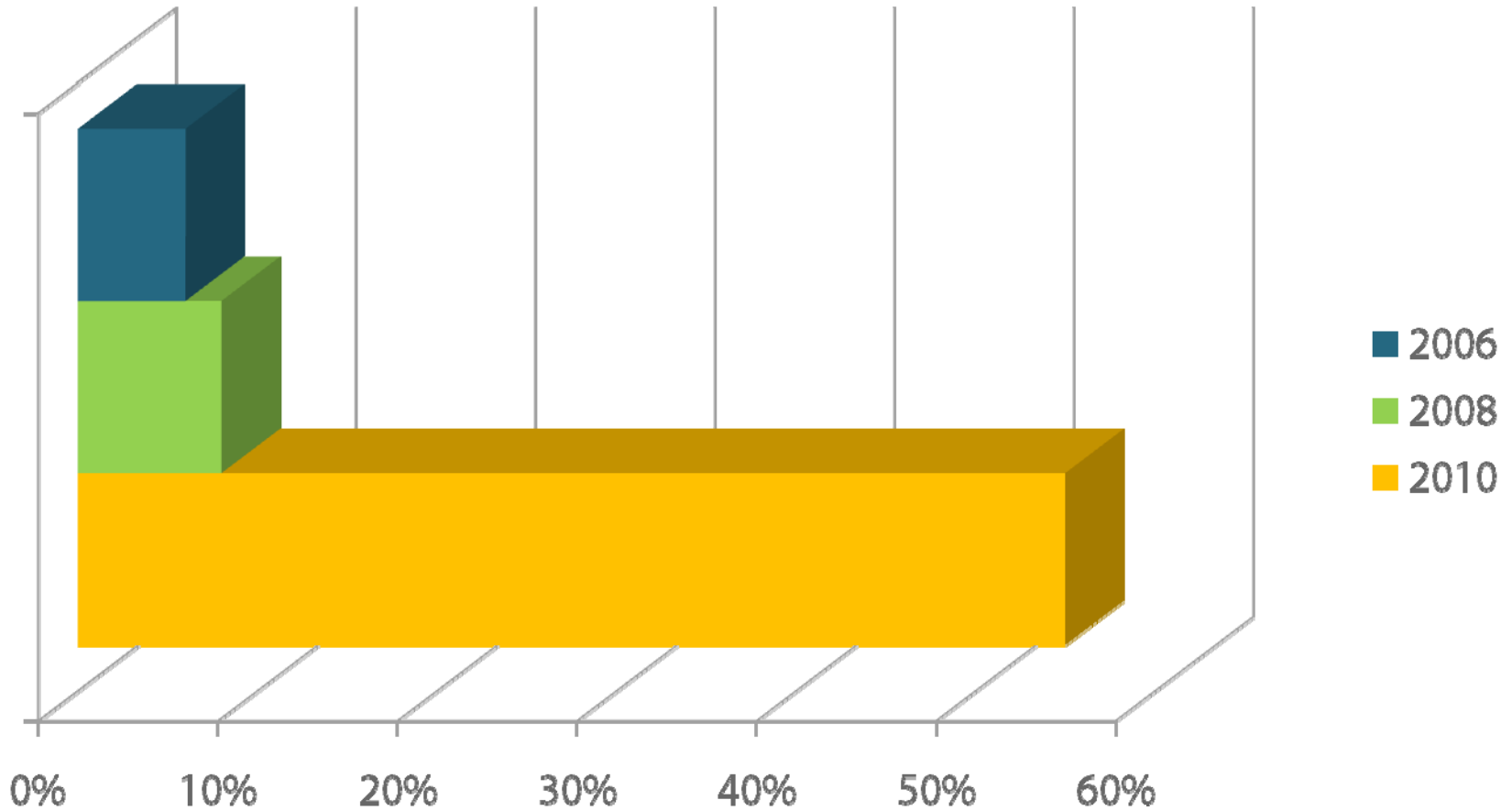
Specialties Included in P4P



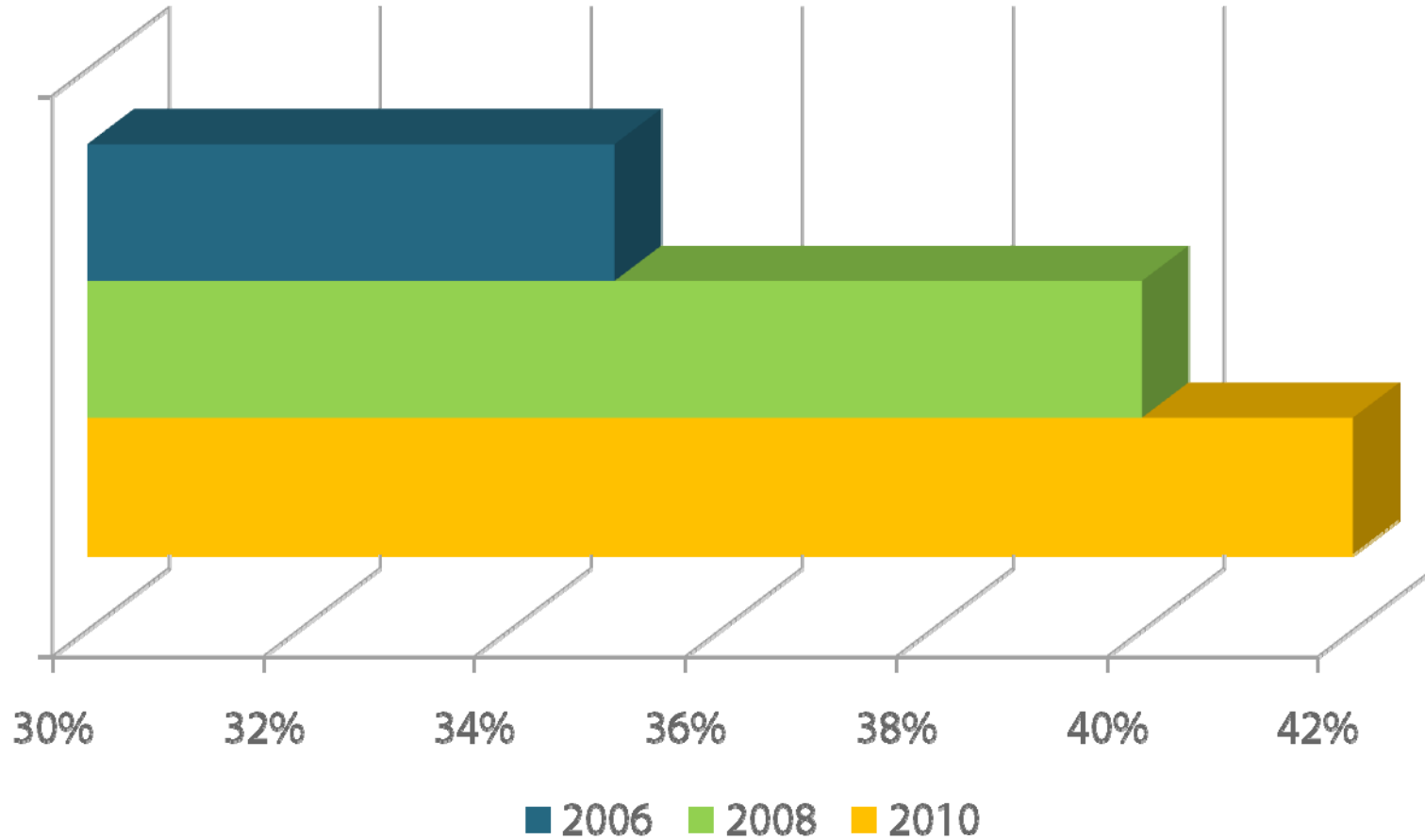
N = 62 physician programs



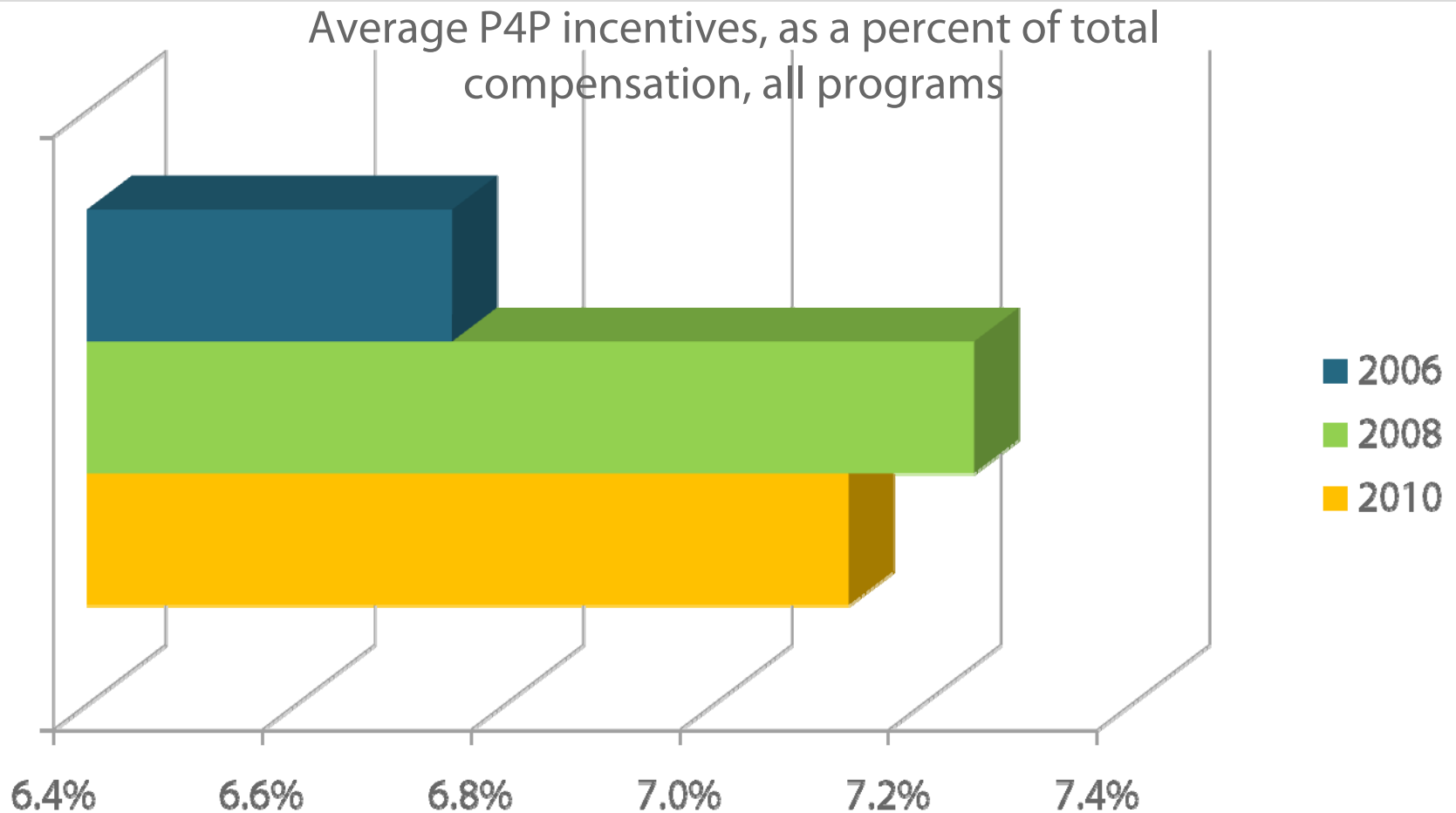
More Plans Include All Covered Lives



More Plans With Hospital P4P



Amount of Money Holding Steady (Physician)

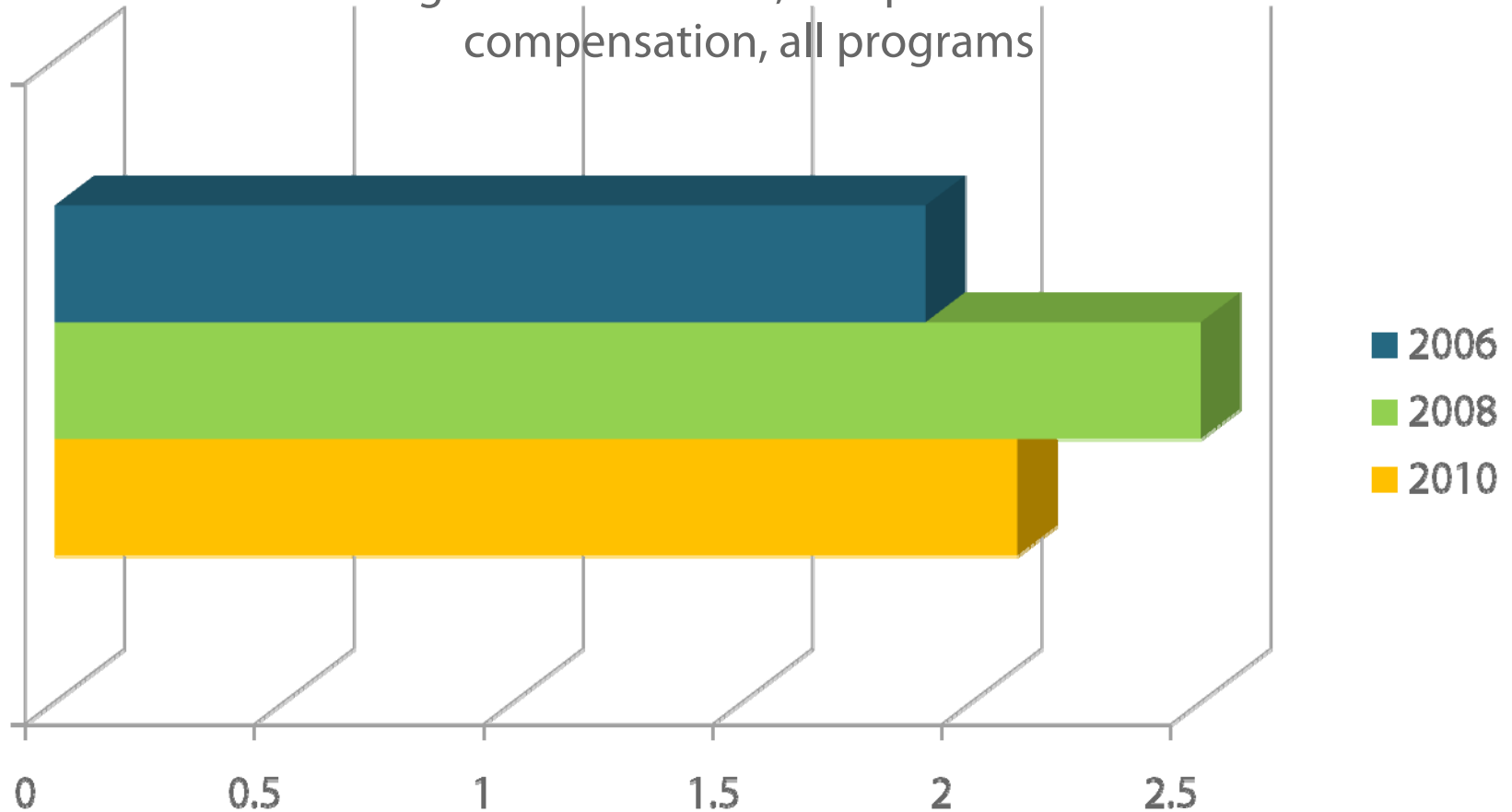


N = 16 physician P4P respondents



Amount of Money Holding Steady (Hospital)

Average P4P incentives, as a percent of total compensation, all programs

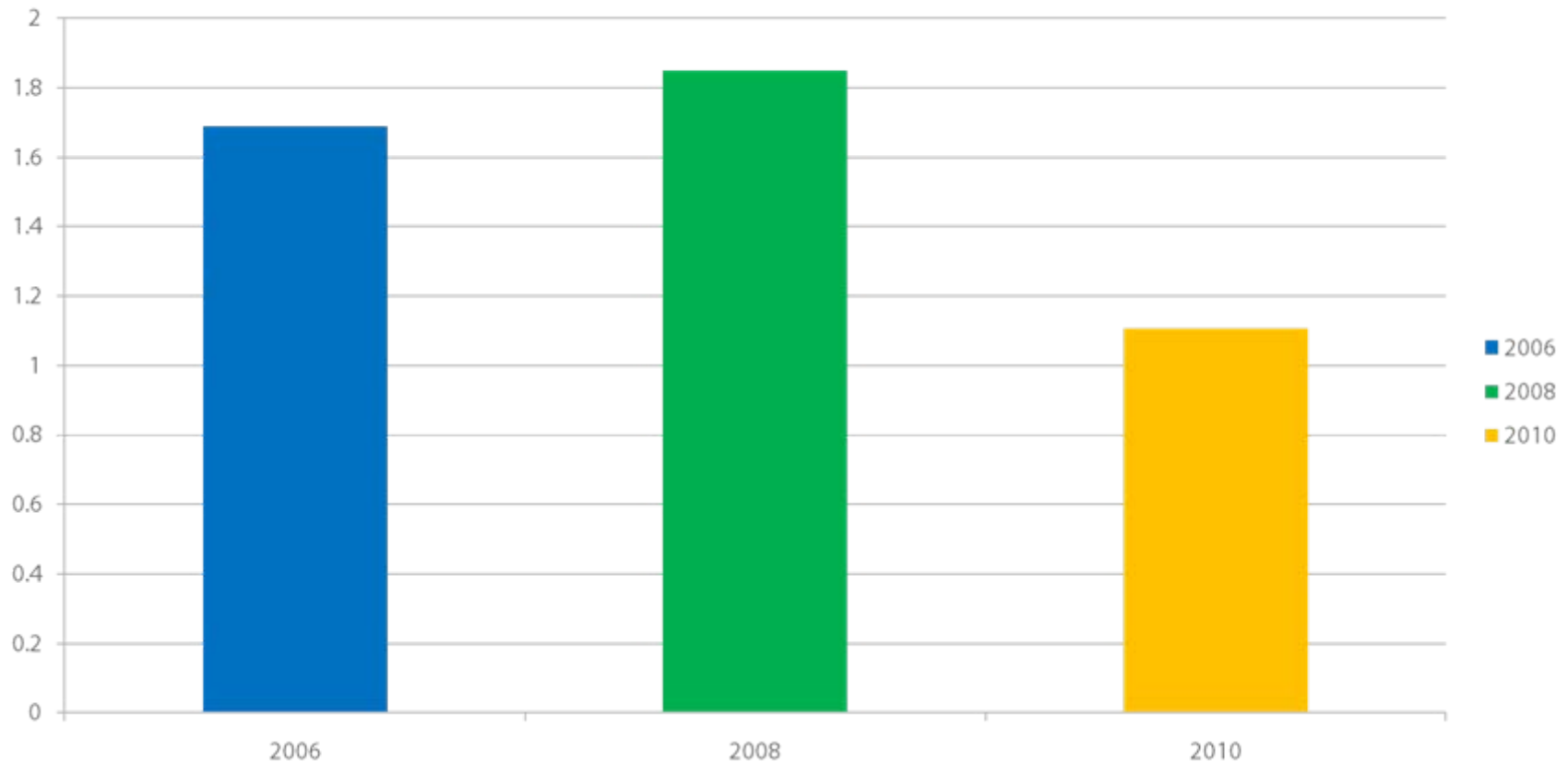


n =7 hospital programs



Levels at Which Plans Measure Performance

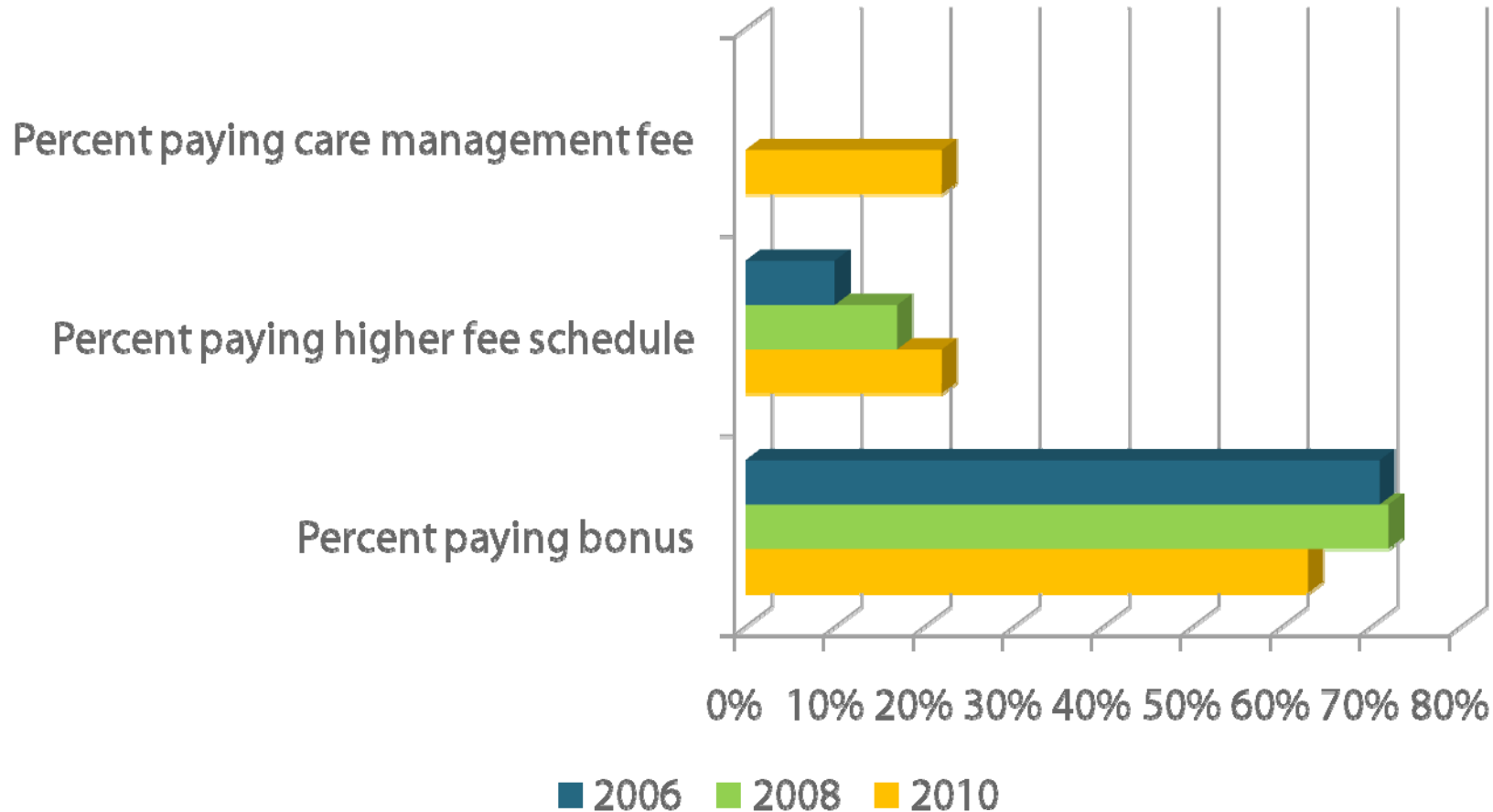
Average # assessment levels



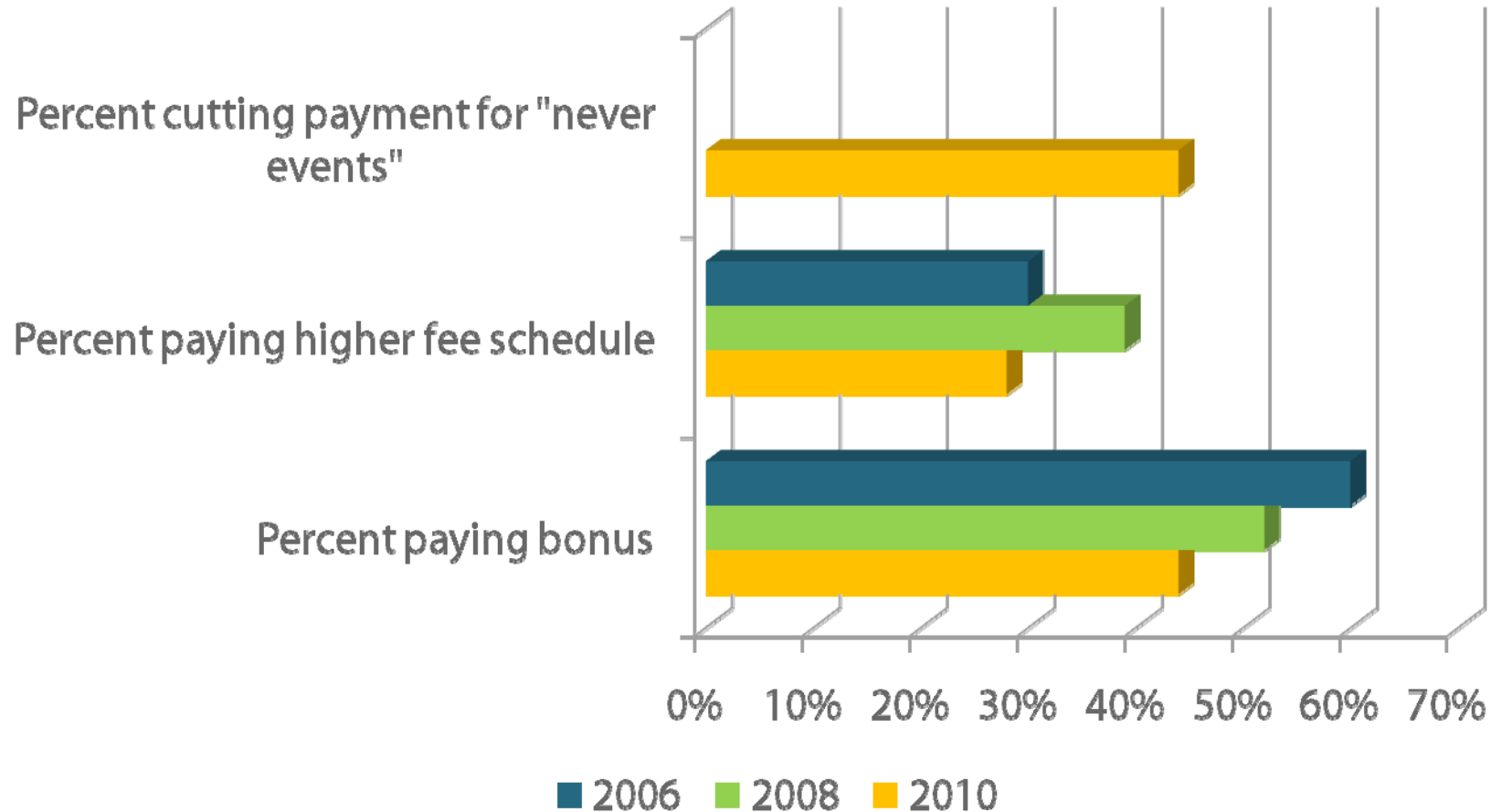
Comprised of individual physicians, group practice, or large IPO



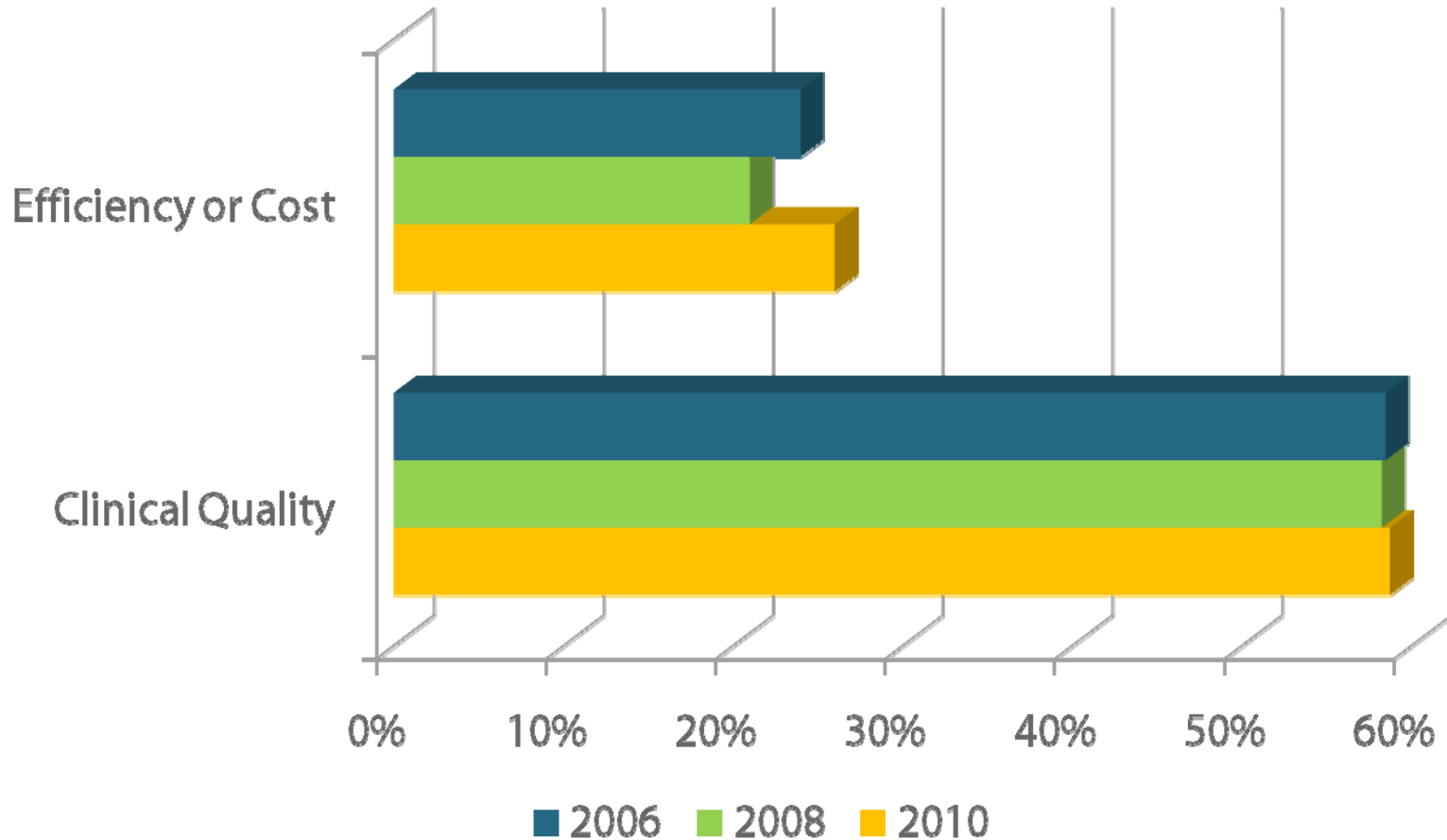
Use of Bonus Payments Declines (Physician)



Use of Bonus Declines (Hospital P4P)



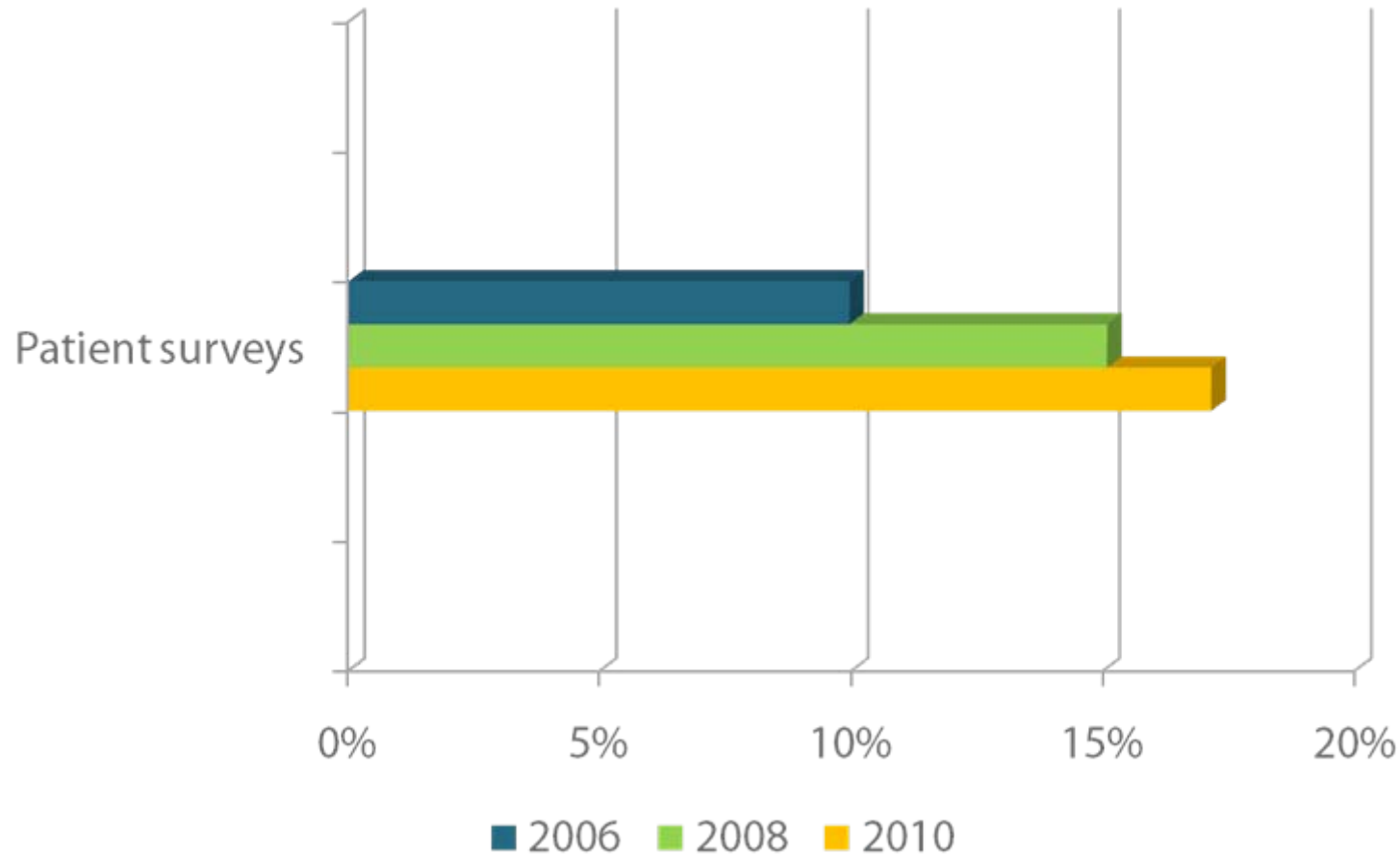
Avg Weight Assigned to Domains* (Physician)



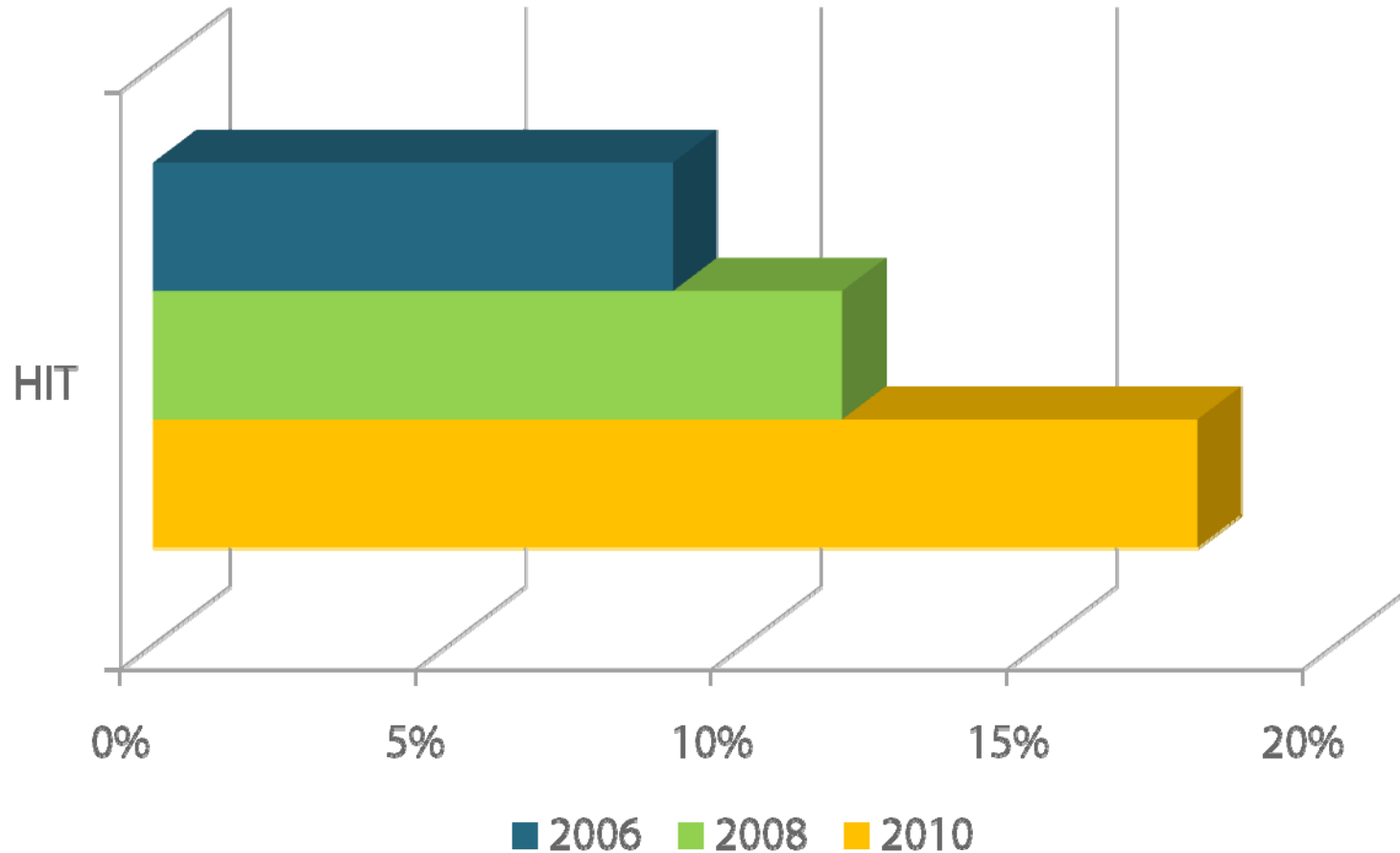
* In 2010, 33% measured cost, 97% measured clinical quality



Patient Surveys See Slight Increase (Physician)

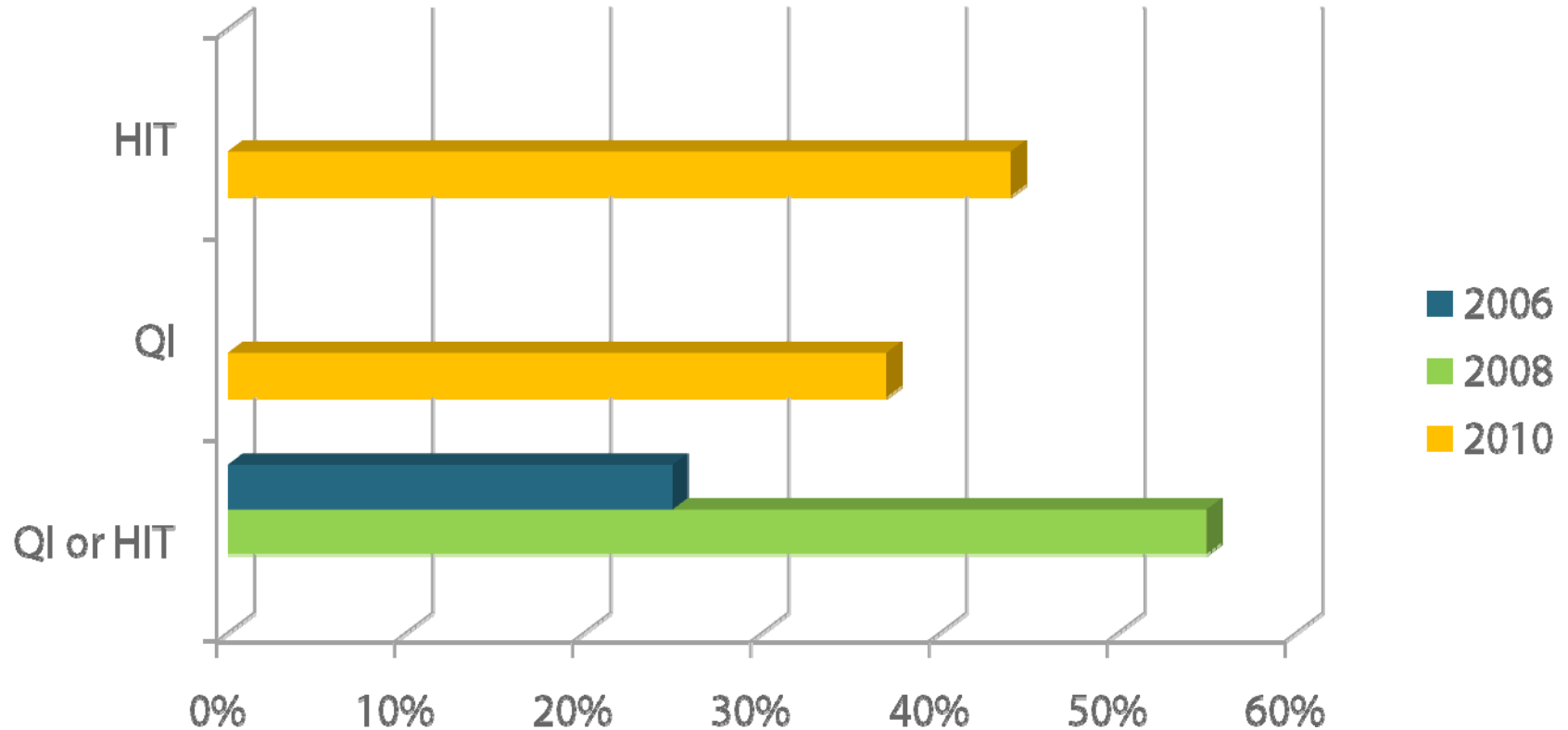


Emphasis on HIT Increases (Physician)

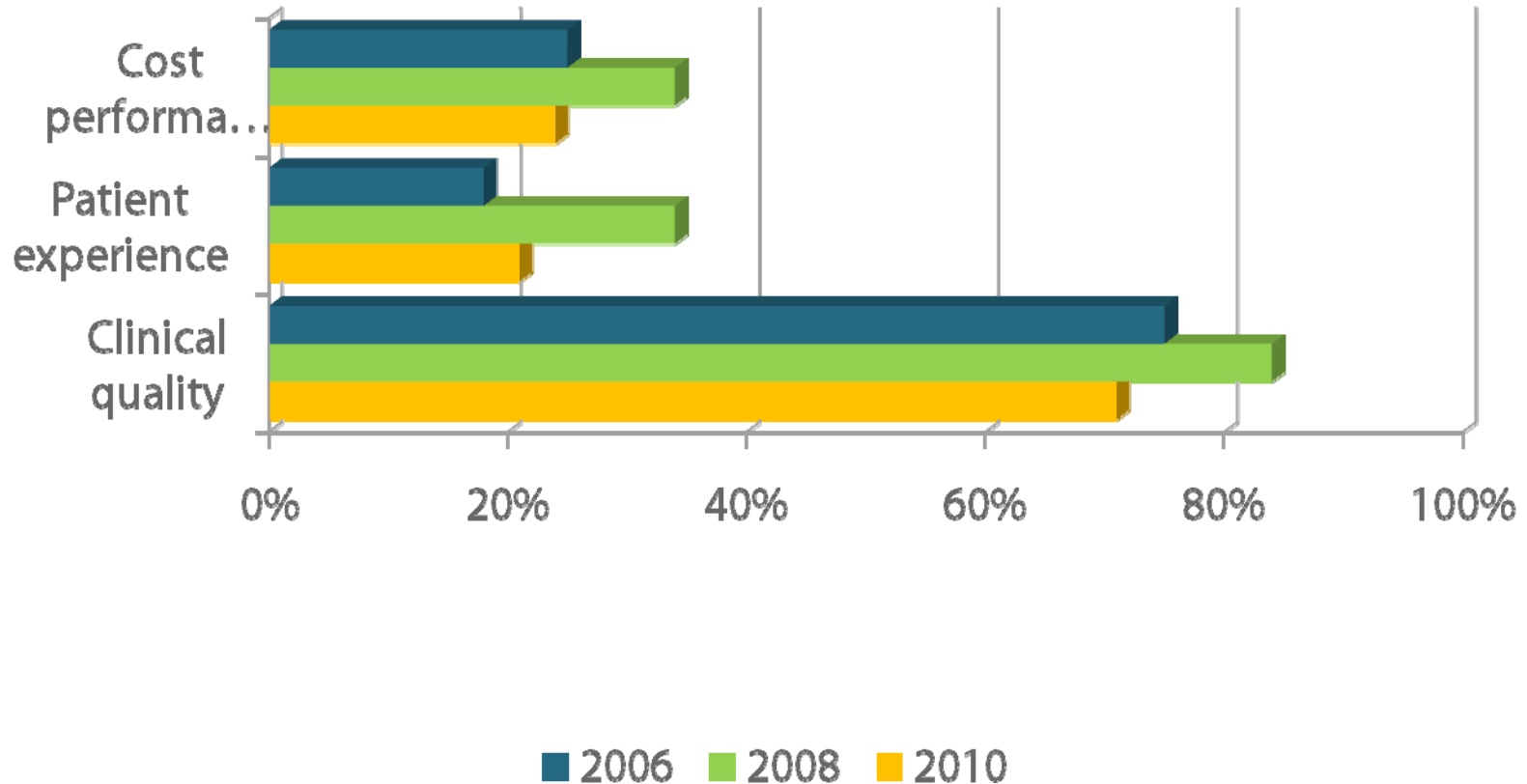


Results: Continued HIT Investment (Physician)

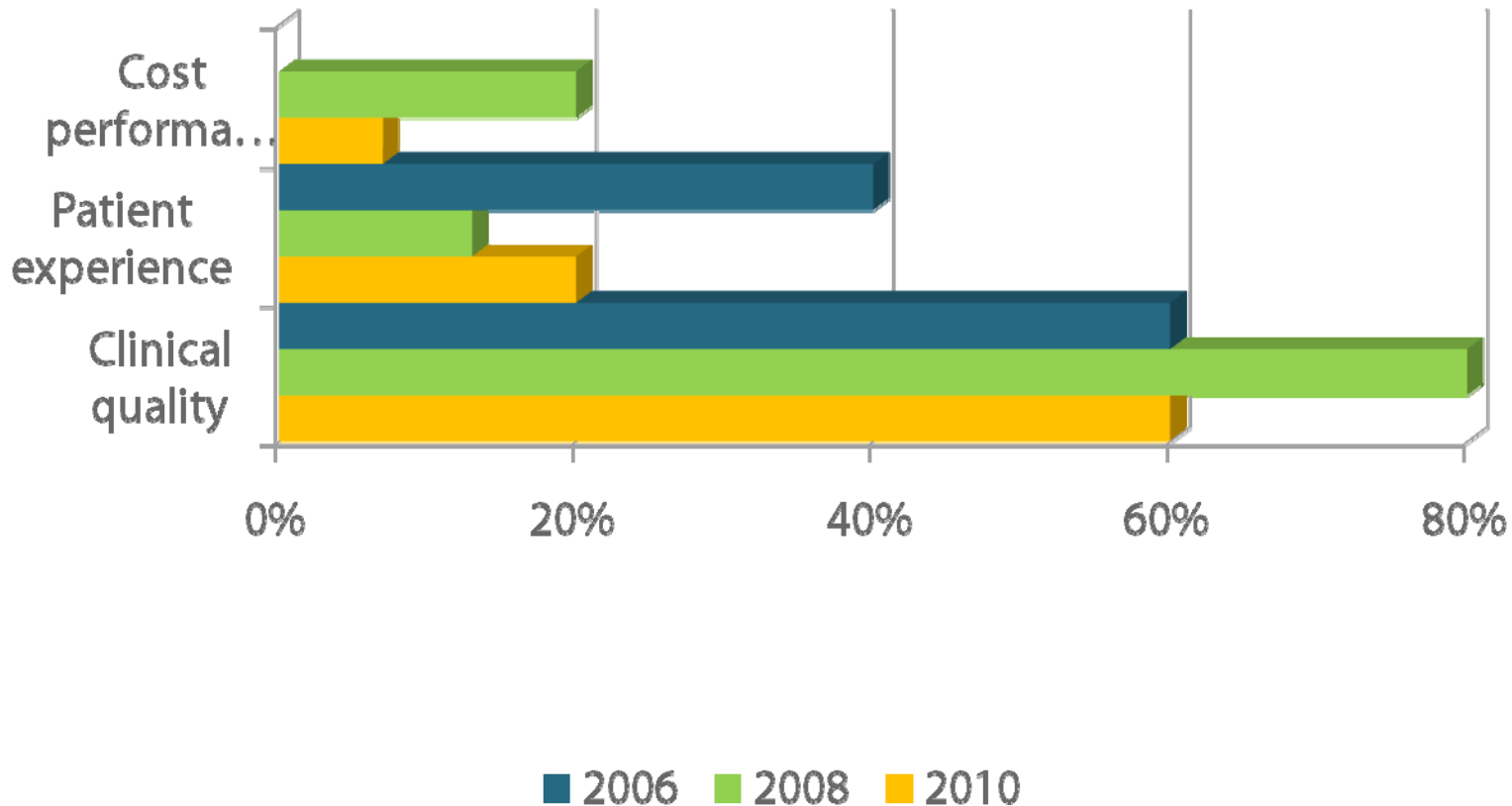
Percent reporting physician investments due to P4P



Results: % Reporting Improvements (Physicians)



Results: % Reporting Improvement (Hospitals)



Change is Planned



Additional Changes Planned Next 1-2 Years

Planned Changes to P4P Programs	% Saying In the Works
Expand the scope or number of measures used	62%
Payment of rewards to physicians for low rates of ambulatory-care-sensitive hospital admissions or re-admissions	47%
Alternative quality provision in certain contracts	46%
Payment of evidence-based case rates to hospitals	40%
Payment of evidence-based case rates to physicians	21%
Add a program for specialists if there is not one now	32%
Explore or develop new payment models for hospitals alone	22%



Results for Patient-Centered Medical Home

Planned Change to P4P Program	% Saying In Market or In Development
Periodic payment to physicians who provide a patient-centered medical home, for care management	65%

*15% already include PCMH measures, at 26% weighting



Other PCMH Surveys or Program Results

- ▶ NCQA reports skyrocketing participation in their PCMH programs* (NCQA PCMH Standards announcement, January 31, 2011)
- ▶ Most pilots are single payer, combine FFS, PMPM payments, and bonuses

*NCQA PCMH Standards announcement, January 31, 2011



Results for Bundled Payment Approach

Planned Change to P4P Programs	% Saying in Development
Bundling of payment to physicians and hospitals, such as payments based on episodes of care	48%



Results for ACO's

Planned Change to P4P	% Saying in Development
Explore or develop new payment models for accountable care organizations (ACOs)	51%
Sharing computed savings with physicians, with opportunity for better quality performers to earn more	60%
Sharing computed savings with hospitals, with opportunity for better performers to earn more	52%



Other ACO Survey or Program Results

- ▶ CMS has announced that ACO programs are to begin in 2012
- ▶ CMS's Physician Group Practice piloted demonstrated both quality improvements and cost savings
- ▶ BCBSMA has announced preliminary successes in the first year of their Alternative Quality Contract



Summary: Where P4P Stands Now

- ▶ Integrated into business strategy
- ▶ Money holds steady
- ▶ Changes planned include more measures, more specialties, and more value-based payments
- ▶ Producing results aligned with federal efforts
- ▶ Poised to move to ACOs, PCMHs
- ▶ Change has been incremental



Change is Difficult



Long Road Ahead

- ▶ Despite regulation, incentives and early successes
 - Only 2% hospitals meet Meaningful Use Criteria*
 - Only 6.5% of practices have fully functional EMR
 - Small practices still dominant structure



*Harvard School of Public Health Research Study, 2010



Real Change is Needed- Now

“*status quo in healthcare is not an option: health reform may make health organization's **current business practices and markets irrelevant.***

Health Reform: Prospering in a post-reform world

Price Waterhouse Cooper, May 2010

“*What can you do by next Tuesday?*

Donald Berwick MD

CMS



We Can't Ignore Human Behavior



...interpersonal issues- and the all too human difficulties with change- hindered a national effort to transform primary care practices into patient-centered medical homes."

Paul Nutting, Health Affairs , March 2011





Change is Difficult

“*Free is not cheap enough.*”

Tom Lee, MD

Chief Medical Officer, Partners Healthcare





2009: HITECH Act Passed

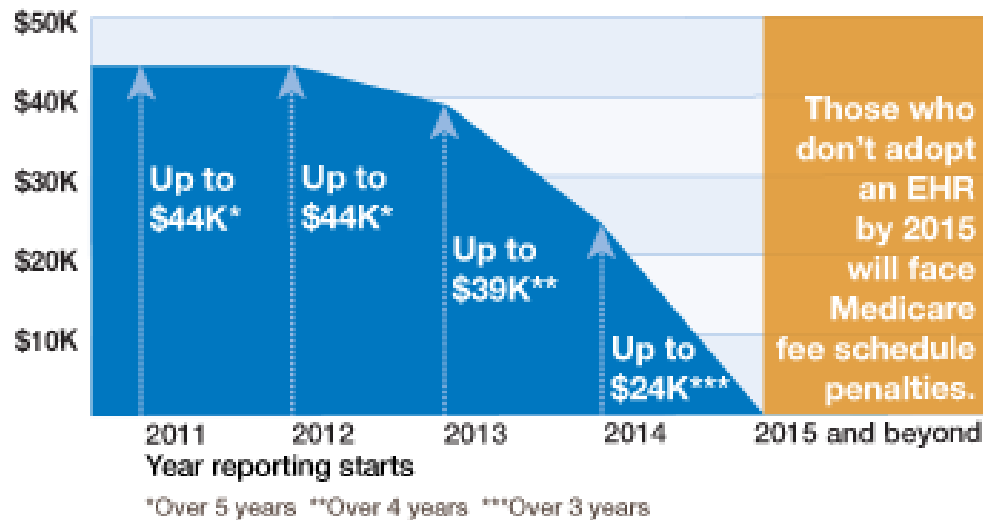
2010: PPACA Passed

2012: ACO Payments Begin

EHR Incentives Are Considerable

Get paid for using an EHR

Eligible meaningful users of certified EHR systems can earn incentives when reporting allowed Medicare Part B charges.

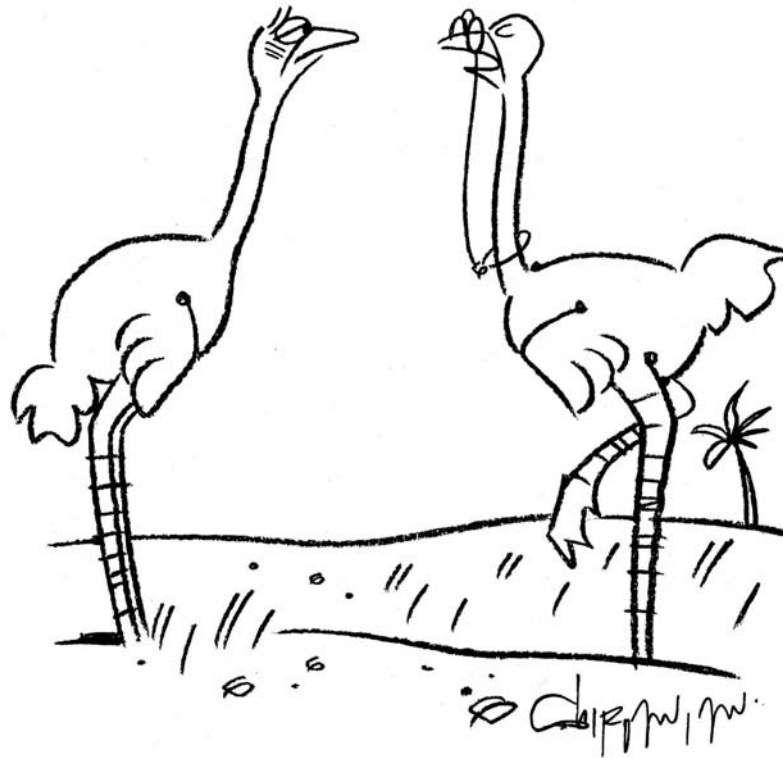


*AMA: ARRA Incentives





Denial Is No Longer The Prevalent Strategy



"Take two aspirins and stick your head in the sand."



To Learn More

- ▶ Detailed report to participants available mid-April
- ▶ Executive summary on www.medvantage.com mid-April



Thank You

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