



Innovation & Quality: Hawaii

Back to the Future –

Patient-Doctor Centered Care

**Sixth National Pay for Performance
Summit**

**Mini-Summit III: Advancing P4P into
Performance Based Contracting**

March 23 – 25, 2011

Hyatt Regency Hotel, San Francisco, CA

Agenda

- ❖ Pay for Performance at HMSA
 - Historical Overview
 - ~~5~~ Year Plan
- ❖ Foundational Changes Required
 - “Bending The Curve”
 - IDN Performance in a PPO
 - Integrated Health Management Services
- ❖ HMSA 2.0 to Create a Virtual IDN (PPO)
 - Cultural Change: HMSA 1.0 → 2.0
 - Network Redesign: PCMH & ACO
 - Payment Reform: Value-based Reimbursement
- ❖ The Ideal Future State - The Beacon Community

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❖ Foundational Changes Required

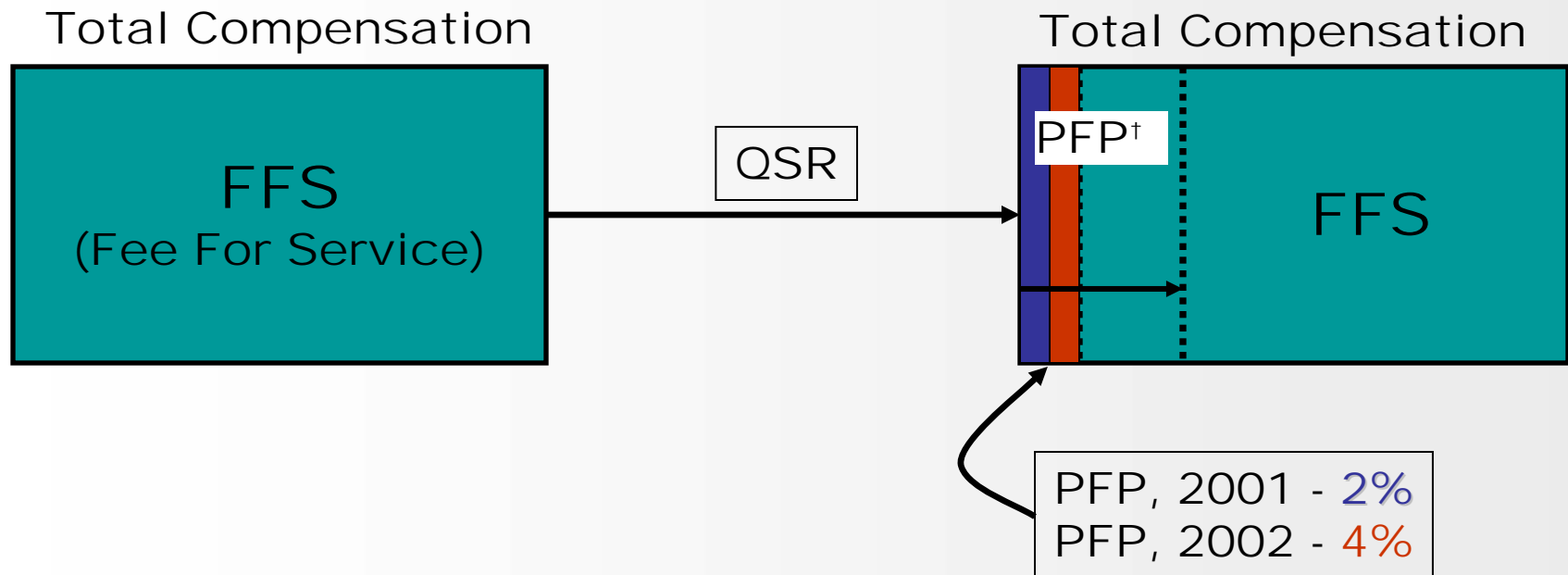
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❖ HMSA 2.0

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QSR Strategy, 1998: Towards Pay for Performance (PFP)

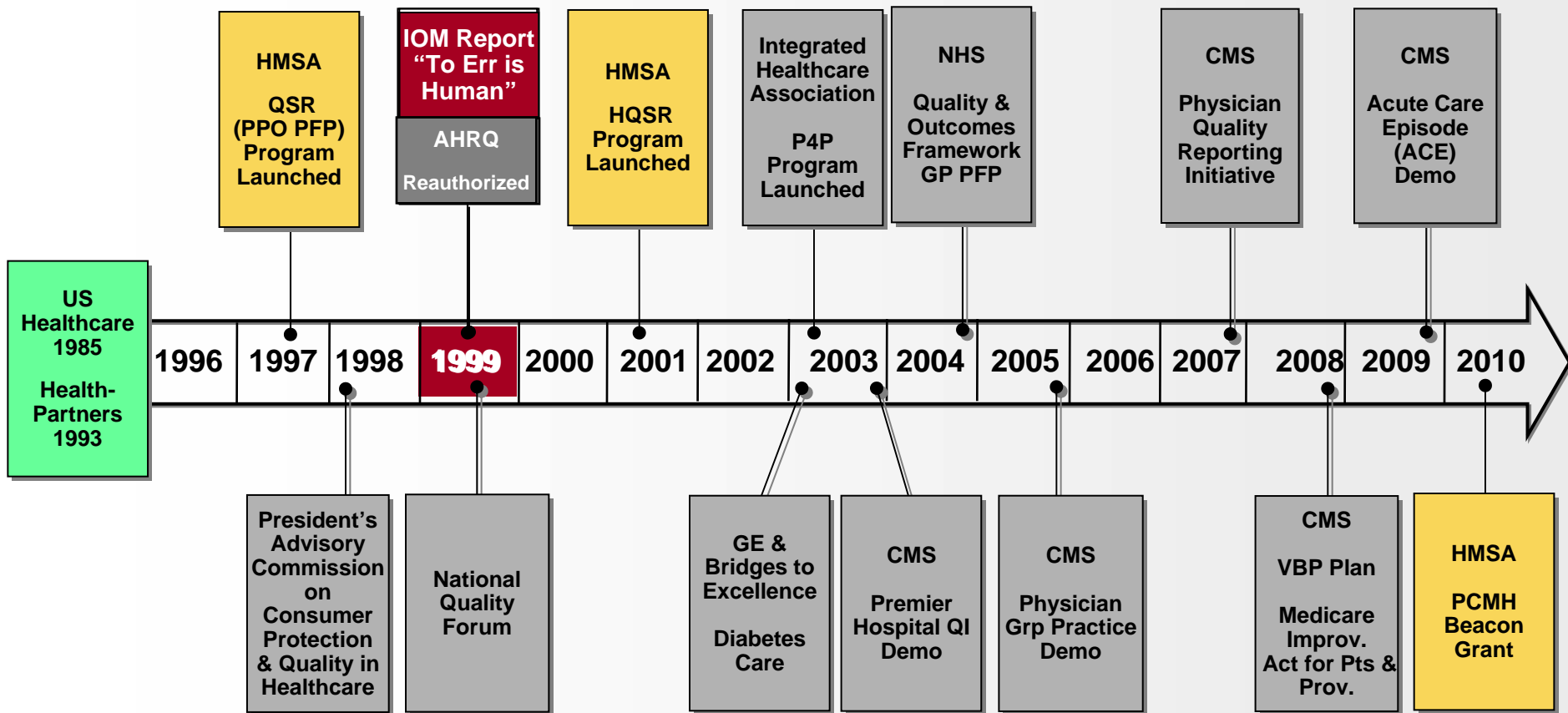


† Increase the PFP percentage to 20-30% of total compensation, over time

Pay for Performance

A Brief Historical Overview

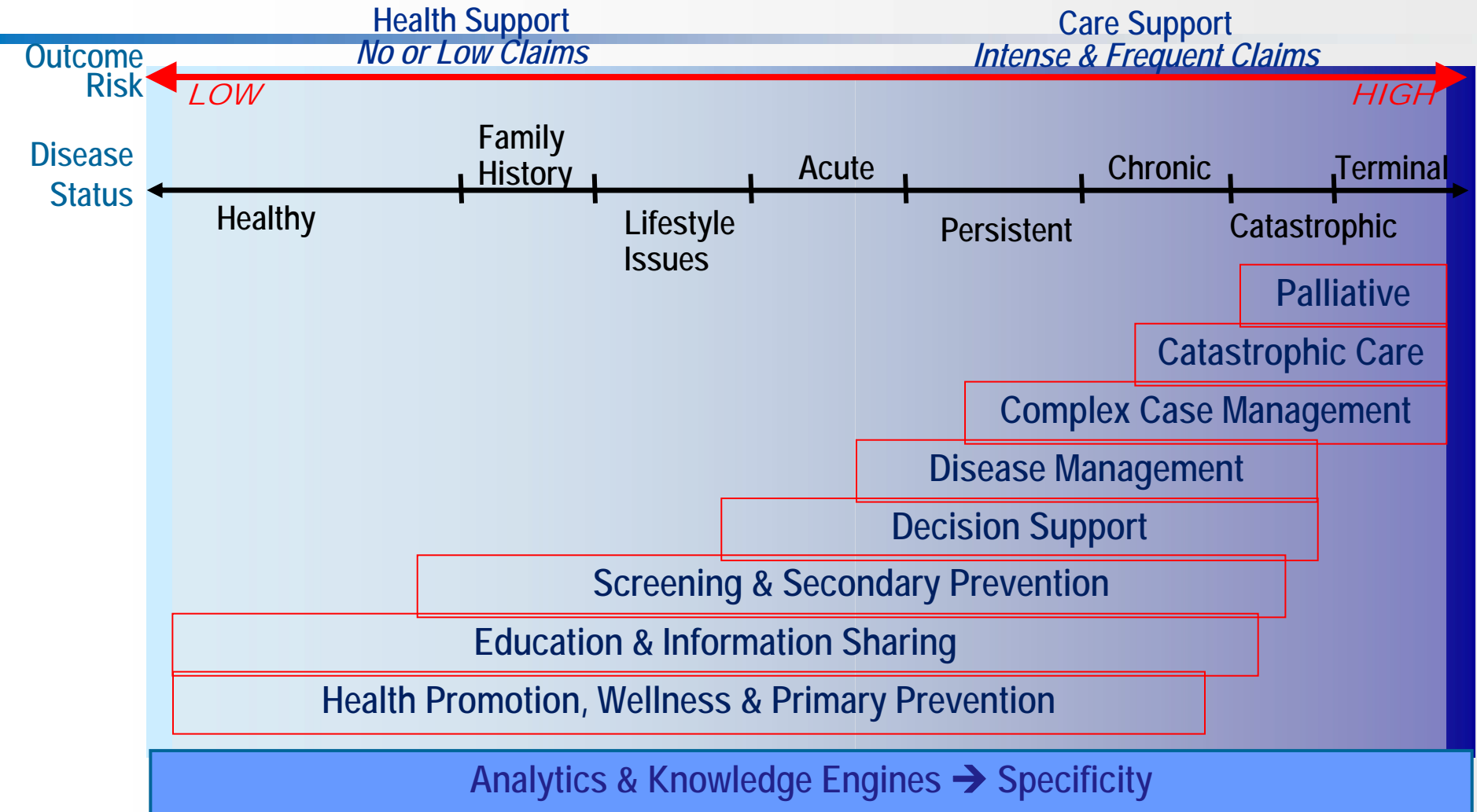
Adapted from **Pay-for-Performance**
An Industry and Vendor Assessment
A BCBSA Presentation, January, 2005



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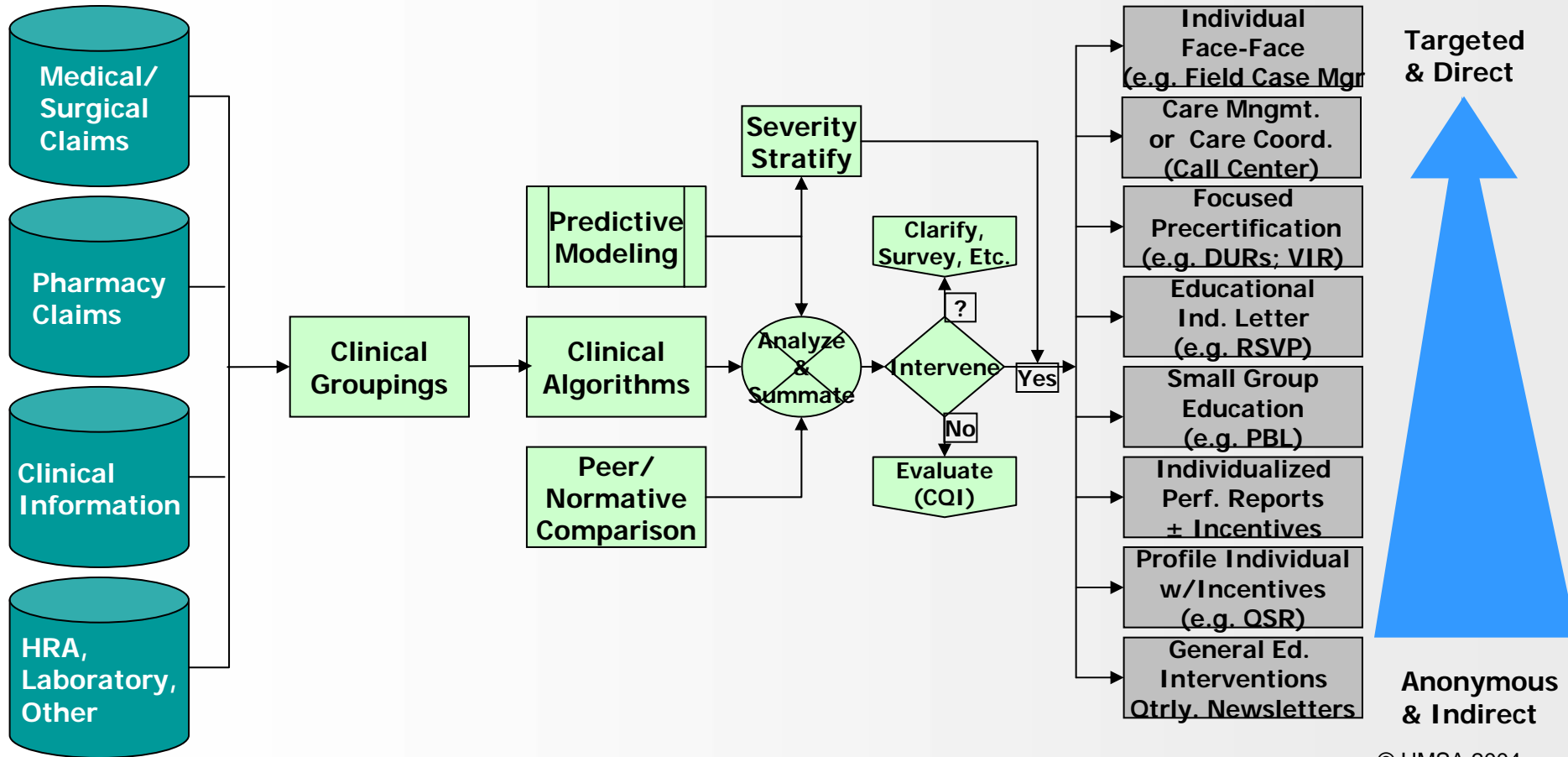
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Total Population Management



Integrated Health Management

Data, Segmentation, Matching



© HMSA 2004

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HMSA's Response

Culture Change

❖ HMSA 1.0

- HMSA - Insurance Company
- Focus - Paying Claims
- Emphasizes: Efficiency
- Manage Cost Through Payment Policy

❖ HMSA 2.0

- HMSA - Health Plan
- Focus – Quality; Care Delivery
- Emphasizes: Effectiveness
- Manage a Health Plan; New
 - Skills,
 - Technologies, &
 - Culture

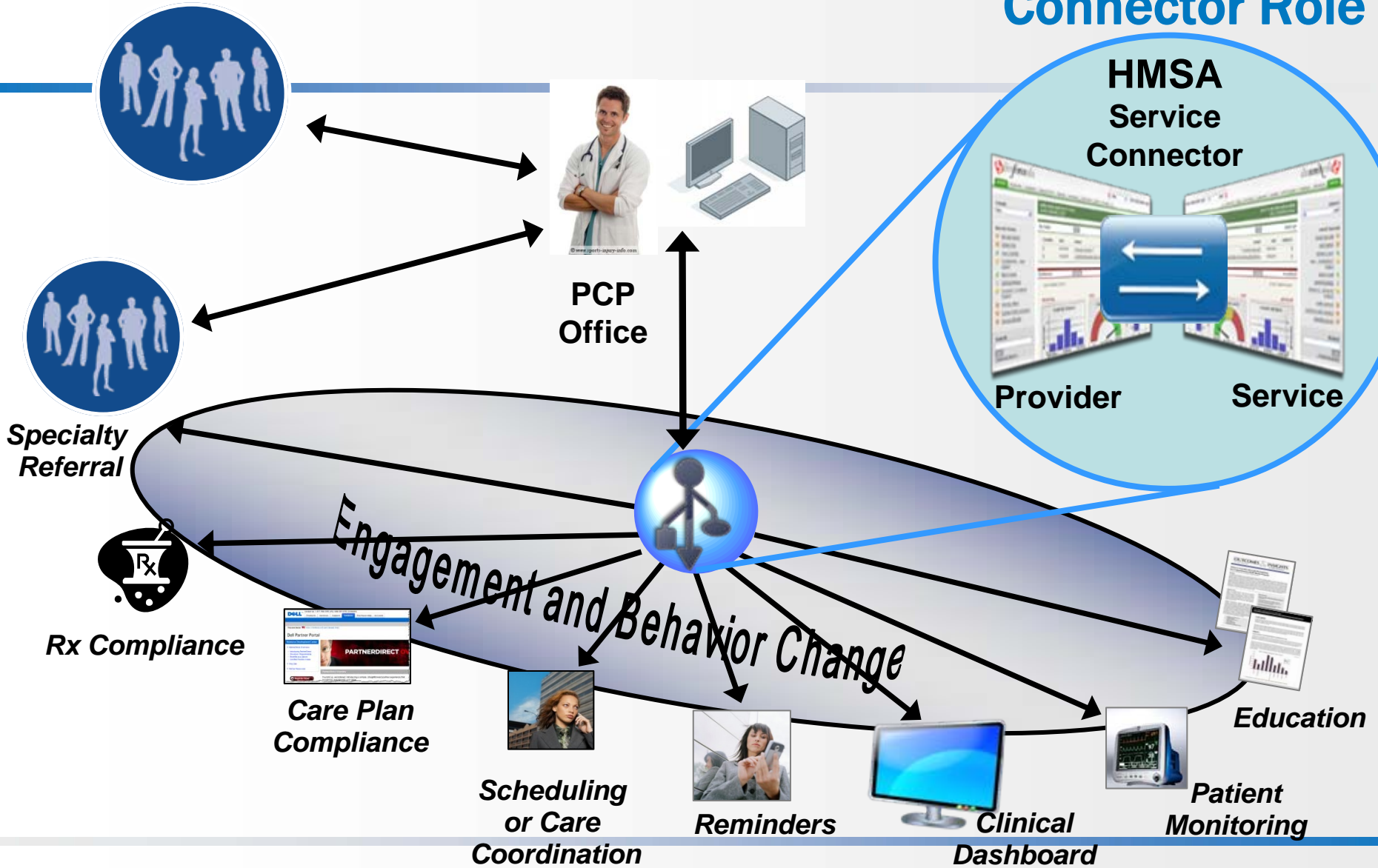
HMSA's Response

Culture Change

HMSA 1.0	HMSA 1.5	HMSA 2.0
Processes Claims Manages Cost through Payment Criteria	Manages Care Delivery Manages Doctors' Care Performance	Health Care Connector Manages Outcomes
HMSA - Auditor	HMSA - Care Manager	HMSA – Facilitates Connections to Infrastructure
Serves the Fiduciary Interest of Member	Serves the Care Quality interest of Member	Serves the interest of Doctor-Pt. Relationship
Concerned with Utilization	Concerned with Appropriateness	Concerned with Access and Decision Support

Virtual IDN - Medical Homes

Connector Role



Virtual IDN – ACOs, Bundled Payments, Etc.

Connector Role

Table 1. Delivery Systems That Could Become Accountable Care Organizations

Model	Characteristics
Integrated delivery systems	<ul style="list-style-type: none">• Own hospitals, physician practices, perhaps insurance plan• Aligned financial incentives• E-health records, team-based care
Multispecialty group practices	<ul style="list-style-type: none">• Usually own or have strong affiliation with a hospital• Contracts with multiple health plans• History of physician leadership• Mechanisms for coordinated clinical care
Physician-hospital organizations	<ul style="list-style-type: none">• Non-employee medical staff• Function like multispecialty group practices• Reorganize care delivery for cost-effectiveness
Independent practice associations	<ul style="list-style-type: none">• Independent physician practices that jointly contract with health plans• Active in practice redesign, quality improvement
Virtual physician organizations	<ul style="list-style-type: none">• Small, independent physician practices, often in rural areas• Led by individual physicians, local medical foundation, or state Medicaid agency• Structure that provides leadership, infrastructure, resources to help small practices redesign and coordinate care

Source: Health Affairs, *Health Policy Brief: Accountable Care Organizations*, Bethesda, MD, July 27, 2010, http://www.healthaffairs.org/healthpolicybriefs/brief.php?brief_id=20.

Payment Reform

2010 Value-based Purchasing

❖ Network Providers

- Froze Fee Schedules
- Redesigned Provider Quality & Service Recognition
 - PCP Increase, Unified Measure Set
 - Specialty Measure Development
 - Aligned Corp & Clinical Measures
- Emphasizes: Efficiency & Quality
 - Increases By Improved Quality
 - Increases By Improved Efficiency
 - No Fee Increase
- Health Plan Supports PCMH & Specialty Home Implementation

❖ Network Hospitals

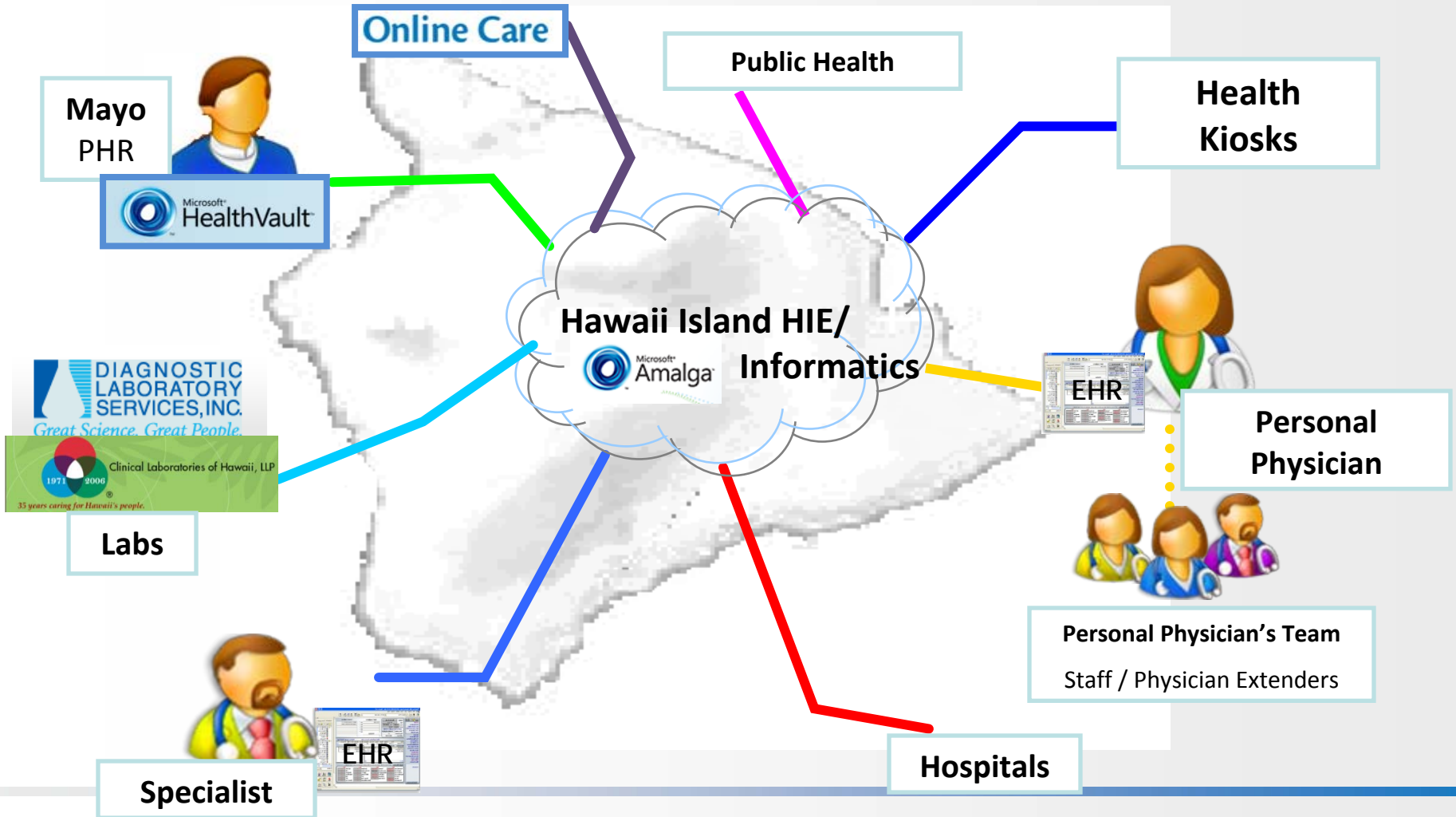
- Froze Fee Schedules
- Focus – Quality; Care Delivery
 - Premier, Inc Common Measures
 - Hospital QSR aligned w Corp Goals
- Emphasizes: Effectiveness
 - Stdize Complications
 - Stdize Readmissions
- Health Plan Supports Cost of Premier & Scores Measures
- Health Plan supports IPA and/or Hosp based ACO/Bundled Payments

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A Connected Community

Enables Responsibility in All



A Community & One Payment Model

Accountable Care Systems to Realize Shared Savings

Accountable Care Organization



Accountable Treatment Episode



Accountable Patient Centered Medical Home
