

Minnesota: Provider Peer Grouping

Pay for Performance Summit All-Payer Claims Databases: State-Based Initiatives

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Value and Health Care Spending

- Research has shown that higher health care spending is not associated with better quality of care.
- Consumers need better information on health care costs and quality for more informed decision-making.
- We all need health care payment system reforms that reward value – not volume.

What is Provider Peer Grouping?

- **A system for publicly comparing provider performance on cost and quality**
 - ...a uniform method of calculating providers' relative cost of care, defined as a measure of health care spending including resource use and unit prices, and relative quality of care...
 - a combined measure that incorporates both provider risk-adjusted cost of care and quality of care...

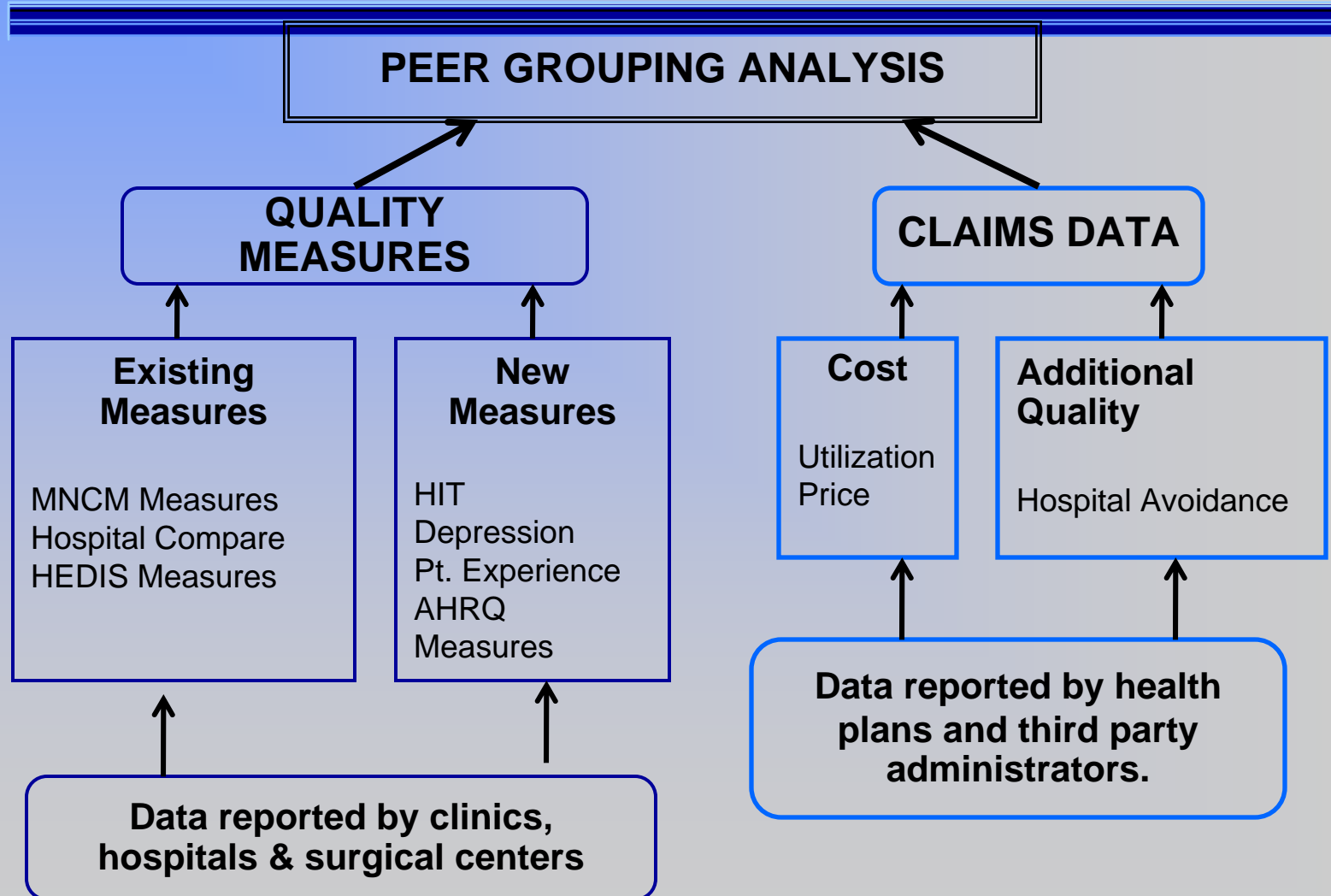
Types of Provider Peer Grouping

1. Total Care

2. Care for Specific Conditions

- Pneumonia
- Diabetes
- Asthma
- Coronary Artery Disease
- Total Knee Replacement
- Heart Failure

Data Sources for Analysis



Analytical Activities and Stakeholder Input

- **2009** - We convened an **advisory group to provide advice and recommendations** on overall methodologies
- **2010** - **Contract with Mathematica Policy Research to conduct analysis**
- **May 2010** – **Rapid Response Team to provide input on critical issues:**
 - Patient attribution to providers
 - Creation of composite scores from individual quality measures
 - Treatment of non-users and outlier costs
- **December 2010** – **Reliability Workgroup** to ensure reliability of peer grouping results
- **On-Going** – **Monthly Conference Call** to update stakeholders

Validity & Reliability Requirements

- We are required to ensure validity and reliability of results:
 - Best available evidence and research
 - Establishment of a minimum reliability threshold in collaboration with providers and required users of data
- We may delay the dissemination of results to ensure these criteria are met

Reporting the Data

- Results are first distributed confidentially to providers
- Providers have opportunity to appeal results based on accuracy of data
- Results will subsequently be publicly reported

Timeframe for Releasing Results

	Disseminate to Hospitals	Disseminate to Physician Clinics	Publicly Report Results
Total Care: Hospitals	June 15, 2011	---	September 15, 2011
Total Care: Clinics	---	August 15, 2011	November 15, 2011
Condition-Specific	September 15, 2011	September 15, 2011	December 15, 2011

Uses of Provider Peer Grouping

- **Various payers required to use results to strengthen incentives for consumers to use high-quality, low-cost providers**
 - State Employee Group Insurance Program
 - All political subdivisions that offer health benefits
 - All health plan companies, including those in individual market and small employer market
 - State Medicaid Agency

Uses of Provider Peer Grouping Data

- **Commissioner of Finance** - incentives for state employee insurance program to use high-quality, low-cost providers
- **All Political Subdivisions that Offer Health Benefits** - must offer plans that differentiate providers on their cost and quality performance and create incentives for members to use better-performing providers

Uses of Provider Peer Grouping Data

- **All Health Plan Companies** - to develop products that encourage consumers to use high-quality, low-cost providers
- **Health Plan Companies in the Individual Market or the Small Employer Market** - must offer at least one health plan with financial incentives for consumers to choose higher-quality, lower-cost providers through enrollee cost-sharing or selective provider networks
- **Department of Human Services** - must establish a payment system that: 1) rewards high-quality, low-cost providers; 2) creates incentives to receive care from high-quality, low-cost providers; and (3) fosters collaboration among providers to reduce cost shifting

PPACA Issues Impacting Provider Peer Grouping

- **National Quality Strategy** - Quality measure development and process
- **Value-Based Purchasing** – Use of Provider Peer Grouping Information
- **Health Insurance Exchanges** – Required to publish comparative price, quality, and satisfaction data
- **Payment Reform** – Buying value not volume

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- Provider Peer Grouping Website
www.health.state.mn.us/healthreform/peer/index.html
- Statewide Health Care Quality Report
www.health.state.mn.us/healthreform/measurement/report/index.html