

Physician IT Incentives:

The Next Leap?

A. John Blair, III, MD
President and Chief Executive Officer
Taconic IPA, Inc.
Fishkill, NY

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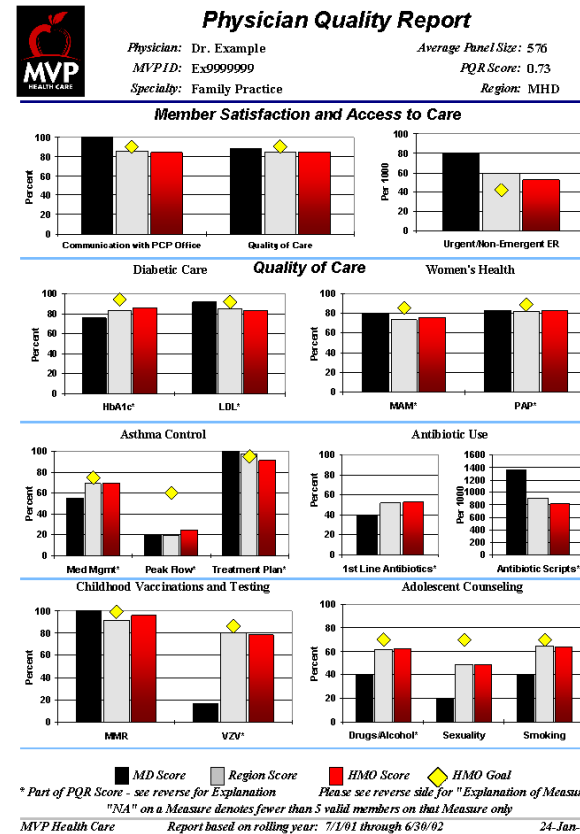
- ❖ Founded 1989
- ❖ Mid-Hudson Valley region, New York State
- ❖ 8 counties
- ❖ 2,300 physicians / 500 practices
- ❖ 1 to 70+ physician practice size range
- ❖ 4 physicians – average practice size
- ❖ Over 1 million covered lives

MVP Healthcare

- ❖ Founded in 1983
- ❖ Independent, regional, not-for-profit healthcare organization
- ❖ Southeastern NY and VT
- ❖ Multiple product lines
- ❖ 10,000 businesses (IBM, Verizon, Wal-Mart)
- ❖ 600,000 lives

Physician Profile

- ❖ Population based performance reporting
- ❖ Blend of administrative and record review data
- ❖ Focused physician visits



Pay-for-Performance

- ❖ Primary Care
- ❖ HEDIS Measures
- ❖ Service
- ❖ Accessibility
- ❖ Annual bonus
- ❖ \$200 - \$10,000 per physician

Example

- ❖ Performance based incentives
- ❖ \$304,000 paid in 2003
- ❖ Will exceed \$1 million in 2004



TIPA Family Practice: 2003 Pay for Performance

Dr. Example
MVP ID: ABC 123



CRITERIA	HMO Mean	HMO Goal	Point Value	Measure Definition	Year Score	\$ Earned	
BASIC							
*Open Panel		Open	\$0.05	Panel open to new MVP members	Open	\$0.10	
*Weekend/Evening availability		3	\$0.05	Hours outside of 8:30-6:00 Mon-Fri available for routine appointments	< 3	\$0.00	
COMPREHENSIVE (n=549 Members)							
Diabetic Case LDL	82.7%	91.8%	\$0.05	Percentage of the PCP's diabetic members, continuously cared for in MVP for one year, who received a test for LDL-C during the reporting year or year prior.	92.5	\$0.10	
Diabetic Case Eye (administrative data only)	44.8%	69.8%	\$0.05	Percentage of the PCP's diabetic members, continuously cared for in MVP for one year, who received a retinal exam by an eye care professional.	42.1	\$0.00	
Well Teen Risky Behavior	60.0%	70.0%	\$0.10	Percentage of PCP's members, age 16-18, where time to client review of documentation present that alcohol or drug screening was performed.	40.0	\$0.00	
Antibiotic RX Otitis/Sinusitis/Bronchitis	60.0%	Less than 48.2%	**	Percentage of episodes of otitis, sinusitis, and bronchitis (age 5+), during which an antibiotic was prescribed and filled. Since bacterial infection is infrequent, the goal is to reduce antibiotic use.	60.7		
Asthma Medication Management	69.2%	75.0%	\$0.05	Percentage of PCP's asthmatic members, who filled a prescription for more than one SABA in a 4 month period, and were also on a long-term controller medication.	80.0	\$0.10	
Member Satisfaction Quality of Care Communication with PCP Office	85.2% 84.3%	90.0% 90.0%	\$0.05 \$0.05	Percentage regarding Overall Quality of Care and Ease of Getting Through to PCP are obtained from questions asked on the Member Satisfaction with PCP Survey which is administered by Facti Index.	85.5 90.0	\$0.05 \$0.10	
ER Utilization (by specialty) Urgent/nonurgent (HMO)	69 emc/000	Less than 44 emc/000		The number of PCP's panel members accessing ER services for conditions that would generally be treated in the office setting, reported as a rate/1000 members. HMO mean is specialty specific.			
Family/General Practice	70 emc/000	44 emc/000					
Internal Medicine	72 emc/000	44 emc/000	\$0.05			73.6	\$0.00
Pediatrics	64 emc/000	44 emc/000					
MEMBERSHIP (n=249 Members)							
Resource Consumption Index	0.75-0.89 1.00-1.10	0.90 - 1.00	\$0.15	Comparative to risk adjusted measure of utilization of medical services	1.22	\$0.00	

The reporting period ends 6/31/02 for all measures, except Diabetic Eye Exam, which has a reporting period that ends 12/31/02.
The point value is earned for performance greater than HMO mean. Twice the point value is earned for performance greater than HMO goal (or less than the HMO goal for Antibiotics and ER Utilizations). The sum of the point values earned is multiplied by the member months for the given period.

* Basic items receive two points if goal is met. There is no option to earn one point.
** New measure being tested. There is no current point value assigned.

COOPERATION: To qualify for incentive payments, a Physician must not have any major issues of non-cooperation. Examples of major non-cooperation include verbal abuse of MVP staff or refusal to cooperate with MVP staff to support our programs and record review activities.

Total payout per member per month (capped at \$1.00) **\$0.45**

Total member months (July 2002 - December 2002) **2109**

Total Payout **\$949.05**

Total Possible Payout: **\$2,109.00**
Amount a physician would have received if that physician had scored well enough to receive the maximum payment (\$1.00 pm/m).

4th Leap

- ❖ E-Prescribing
- ❖ E-Lab Results Management
- ❖ E-Care Reminders

E-Results Management

- ❖ Improve quality and safety
 - Eliminates lost or delayed results
 - Reduces unnecessary duplication of testing
 - Longitudinal comparison across organizations
- ❖ Avenue for patient access to results
- ❖ Low adoption threshold
- ❖ Low cost systems

Pilot

- ❖ 1 year pilot (2002)
- ❖ 50 physician practices
- ❖ 200 physicians / 600 staff
- ❖ ASP model
- ❖ High speed Internet access
- ❖ Technology upgrades
- ❖ Personal Computers

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Current Status

- ❖ Over 100 practices
- ❖ 1400 end users
- ❖ 350 physicians
- ❖ 3 active hospitals
- ❖ 1 active reference laboratory
- ❖ 3 additional hospitals building interfaces
- ❖ 1 additional reference laboratory building interfaces

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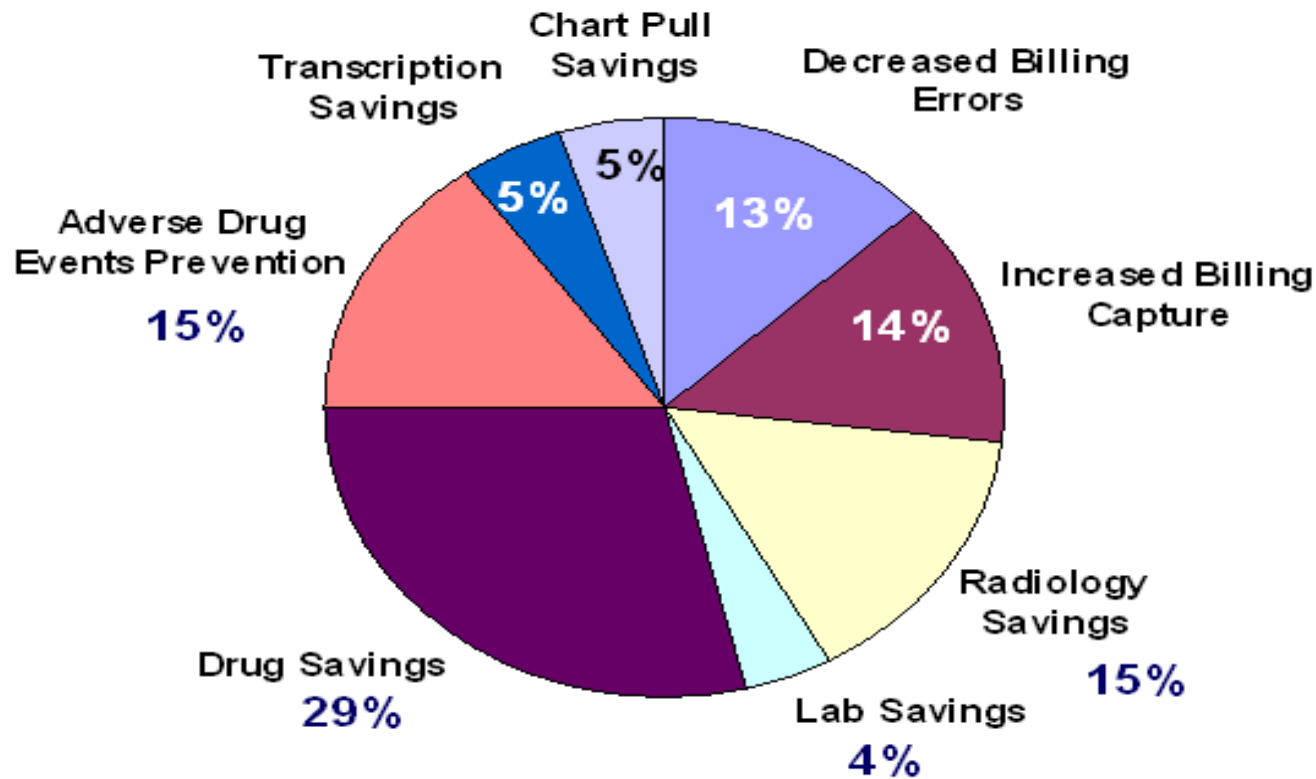
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EMR Initiative Goals

- ❖ Expand on current technology system
- ❖ MedAllies (local ongoing training and support)
- ❖ Collaborative funding model
- ❖ Health plans and Employers provide IT incentives
- ❖ Incentive \$ covers ongoing licensing / maintenance costs
- ❖ Payers get the benefit of full EMR with minimal investment

Why an EMR?

Summary of Benefits



Source: "Cost and Benefit Analysis for Electronic Medical Records in Primary Care." *The American Journal of Medicine* 2003; 114:397-403.

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Case for Multiple Payers

- ❖ No payer has enough market share to drive change alone
- ❖ A small investment can produce a large return
- ❖ The broader the participation, the fewer “free riders”
- ❖ Most EMR benefits accrue to the payer
- ❖ Payer could fund P-4-P program with Rx savings

Threshold for Payer Incentives

“Financial incentives of the approximate range of \$3 to \$6 per patient visit or \$.50 to \$1.00 per member per month appear to be a sufficient starting point to encourage wide-spread adoption of basic EMR technologies by small, ambulatory primary care practices.”

Workgroup on Financial, Legal, and Organizational Stability
Connecting for Health ... A Public-Private Collaborative
(June 23, 2004)

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Key Stakeholders

- ❖ Federal government agencies
- ❖ State government agencies
- ❖ Key self-insured employers in the Hudson Valley
- ❖ Health plans with enrollees in the Hudson Valley
- ❖ Other key opinion leaders

Taconic IPA P4P Changes

- ❖ Existing P4P program with MVP Healthcare
- ❖ Historically covered HEDIS, patient satisfaction, access
- ❖ Changing in 2004 to add IT – 40% of \$1.00 pmpm
- ❖ 2004 – incentive for accessing and using e-results
- ❖ 2005 – incentive for e-prescribing
- ❖ 2006 – incentive for EMR adoption

Health Plans

- ❖ Aetna
- ❖ CDPHP
- ❖ Empire BC/BS
- ❖ GHI
- ❖ Health Net
- ❖ HealthNow
- ❖ MVP Healthcare
- ❖ Oxford
- ❖ United

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Employers

- ❖ Central Hudson Gas & Electric
- ❖ Golub
- ❖ Hannaford
- ❖ IBM
- ❖ State of New York
- ❖ Verizon

Contact Information

A. John Blair, III, MD
President and CEO
Taconic IPA
One Summit Court, Suite 200
Fishkill, NY 12524
T (845) 897-6359
F (845) 298-9040
jblair@taconicipa.com
www.taconicipa.com

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Thanks for your time!

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