Agenda

• National Perspective
• California Program Overview
• Data Collection
• First Year Results
• Future Program Direction
National Perspective

Pay for Performance (P4P)

• Aligns payment and quality
• Facilitates adoption of information technology
• Creates an infrastructure for evidence based medicine
<table>
<thead>
<tr>
<th>Category</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Plans</td>
<td>32</td>
<td>56</td>
</tr>
<tr>
<td>Medicaid Plans</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>CMS Initiatives</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Coalitions</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>39</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

Presentation by B. Carter 10/4/04
Agenda

- National Perspective
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What’s the goal of the Integrated Healthcare Association’s (IHA) P4P?

Create a compelling set of incentives that will drive breakthrough improvements in clinical quality and the patient experience

√ Common set of measures
√ A public scorecard
√ Health plan payments
Plans and Medical Groups – Who’s Playing?

Health Plans
- Aetna
- Blue Cross
- Blue Shield
- Western Health Advantage (2004)

Medical Groups/IPAs
- Over 215 groups / 45,000 physicians

6.2 million HMO commercial enrollees

- CIGNA
- Health Net
- PacifiCare
Who’s Supporting It?

• Purchasers – Pacific Business Group on Health
• NCQA
• California Association of Physician Groups
• California health plans
• Consumer Groups
• State of California
  ✓ Department of Managed Health Care
  ✓ Office of the Patient Advocate
• California HealthCare Foundation – Rewarding Results grant
**Program Governance**

- **Steering Committee** – determine strategy and set policy
- **Technical Committee** – develop measure set
- **IHA** – facilitates governance/project management
- **Sub-contractors**
  - NCQA/DDD – data collection
  - NCQA/PBGH – technical support

*Multi-stakeholders “own” the program*
Program Evaluation

- California HealthCare Foundation grant
- RAND and UC Berkeley (Haas School of Business)
Measures must be:

– important to public health in California
– within the control of physician organizations
– economical to collect
– stable and meaningful to consumers
– valid and evidence based
Pay for Performance: Timeline Cycle

- Testing Year
- Measurement Year
- Data Aggregation and Payments
<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical</td>
<td>50%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Patient Experience</td>
<td>40%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>IT Investment</td>
<td>10%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Individual Physician Feedback program</td>
<td>10% override</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2005 Clinical Measures

• Preventive Care
  ✓ Breast Cancer Screening
  ✓ Cervical Cancer Screening
  ✓ Childhood Immunizations
  ✓ Chlamydia screening

• Acute Care
  ✓ Treatment for Children with Upper Respiratory Infection

• Chronic Disease Care
  ✓ Appropriate Meds for Persons with Asthma
  ✓ Diabetes: HbA1c Testing & Control
  ✓ Cholesterol Management: LDL Screening & Control
2005 Patient Experience

• Communication with doctor
• Overall ratings of care
• Care Coordination
• Specialty care
• Timely Access to care
No changes

• Measure 1 - clinical data integration at group level (i.e. population mgmt.)

• Measure 2 - clinical decision support (point of care) to aid physicians during patient encounters

For full credit, demonstrate four activities, with at least two in Measure 2
Individual Physician Feedback Program

To qualify for bonus:

– Approved policy on physician feedback and performance-based rewards

– Regular feedback to individual physician on performance on clinical and patient experience

– Feedback and rewards (financial or non-financial) instituted by Dec. 31, 2005
2005 Testing Measures

- Testing = Specification essentially complete; testing data collection
  - Flu shots for ages 50 – 64
  - Testing survey sample size

- Colorectal Screening
  - Survey-based, testing sample size and reliability
  - Exploring new administrative specification

- Nephropathy screening for diabetic patients
  - Use current HEDIS specifications
2005 Development Measures

• Development = Create or change specifications for testing in following year
  – Depression treatment in primary care
  – Obesity
  – Diabetic Retinal Exams
Agenda

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Data Collection

• Administrative data ONLY

• Health plan information may be augmented by physician group self reporting

• All information must be audited
Clinical Measures
- Admin data
- OR
- CCHRI Group

Patient Satisfaction Measures
- CAS Scores

IT Measures
- Survey Tools and Documentation
- Admin data

Data Aggregator
- NCQA/DDD Produces one set of scores per group

Medical Group Report

Health Plan Report

Score Card Vendor

Pay for Performance: REPORTING RESULTS
Agenda

- National Perspective
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P4P First Year Results - Payment by Health Plans

- Estimated $40 million paid to California physician groups in 2004 for P4P performance in 2003

- Estimated total of $100 million paid to California physician groups for quality (includes PPO product and efficiency, e.g. use of generics vs. brand drugs)
<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Groups</th>
<th>Percent of Groups</th>
<th>% of Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Measures</td>
<td>215</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Patient Survey</td>
<td>133</td>
<td>62%</td>
<td>89.50%</td>
</tr>
<tr>
<td>IT Survey</td>
<td>100</td>
<td>47%</td>
<td>79.20%</td>
</tr>
</tbody>
</table>
## Clinical Measure Performance (2003)

<table>
<thead>
<tr>
<th>Measure</th>
<th># of groups</th>
<th>mean</th>
<th>max</th>
<th>min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma: All Ages</td>
<td>145</td>
<td>66.66</td>
<td>82.25</td>
<td>41.03</td>
</tr>
<tr>
<td>Diabetes Care: HbA1c Screening</td>
<td>184</td>
<td>65.78</td>
<td>90.42</td>
<td>0.72</td>
</tr>
<tr>
<td>Cholesterol Mgmt: LDL Screening</td>
<td>53</td>
<td>67.66</td>
<td>91.43</td>
<td>3.03</td>
</tr>
<tr>
<td>Breast Cancer Screening</td>
<td>183</td>
<td>64.38</td>
<td>83.00</td>
<td>19.5</td>
</tr>
<tr>
<td>Cervical Cancer Screening</td>
<td>185</td>
<td>62.41</td>
<td>86.01</td>
<td>6.84</td>
</tr>
<tr>
<td>Childhood Immunizations: MMR</td>
<td>148</td>
<td>73.08</td>
<td>96.12</td>
<td>31.29</td>
</tr>
<tr>
<td>Childhood Immunizations: VZV</td>
<td>148</td>
<td>69.02</td>
<td>93.15</td>
<td>30.63</td>
</tr>
</tbody>
</table>

**Notes:** Measure rates with denominators < 30 are not included in these summary statistics.
## Patient Experience
### Measure Performance (2003)

<table>
<thead>
<tr>
<th>Name</th>
<th># of groups</th>
<th>mean</th>
<th>max</th>
<th>min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication with Doctor</td>
<td>133</td>
<td>85.58</td>
<td>93.82</td>
<td>72.37</td>
</tr>
<tr>
<td>Rating of Doctor (pct 8-10)</td>
<td>131</td>
<td>80.03</td>
<td>91.08</td>
<td>66.48</td>
</tr>
<tr>
<td>Rating of Healthcare (pct 8-10)</td>
<td>133</td>
<td>69.98</td>
<td>84.19</td>
<td>48.09</td>
</tr>
<tr>
<td>Problem Seeing Specialist (pct No Problem)</td>
<td>131</td>
<td>59.46</td>
<td>77.49</td>
<td>33.69</td>
</tr>
<tr>
<td>Rating of Specialist (pct 8-10)</td>
<td>126</td>
<td>70.98</td>
<td>84.13</td>
<td>51.25</td>
</tr>
<tr>
<td>Timely Care and Service</td>
<td>133</td>
<td>69.53</td>
<td>83.89</td>
<td>53.26</td>
</tr>
</tbody>
</table>
Wide variation in clinical quality
- 215 groups – 74 scored significantly high on 4 measures out of 5 (2 childhood immunization scores averaged)

Little variation on patient experience
- 155 groups – 25 scored significantly high on 3 of 4 measures;
- Northern California outperforms Southern, state lags national average

Wide variation in IT investment and Adoption
- 100 groups – 67 full credit, 26 no credit, 7 half credit;
- Higher IT results and clinical quality linked

Overall performance
- 14 groups performed well in all three areas
Better IT and Better Quality Go Together

Clinical and Survey Averages by IT Total Score

- Clinical Average
- Survey Average

Pay for Performance: REPORTING RESULTS
Was There Improvement?

- Group scores increased from 2002 (unaudited) to 2003 (audited).
  - Ave increase of 13 points across 6 measures
- All 6 Health Plan P4P HEDIS rates increased an average of 2% in 2002 - 2003
  - .4 (Cervical Cancer) to 3.5 (HbA1c screening) points
  - Administrative data capture rates increased from 1 (Breast Cancer) to 11 (HbA1c) points
  - Smaller gap between health plan administrative and hybrid HEDIS results
2003 Reported Data, P4P Plan vs. National

- Childhood Immunizations: VZV
  - 2003 National HEDIS Reported Data: 85.73%
  - 2003 P4P Plan HEDIS Reported Data: 88.99%
- Childhood Immunizations: MMR
  - 2003 National HEDIS Reported Data: 91.45%
  - 2003 P4P Plan HEDIS Reported Data: 92.05%
- LDL Screening
  - 2003 National HEDIS Reported Data: 80.34%
  - 2003 P4P Plan HEDIS Reported Data: 79.83%
- HbA1c Screening
  - 2003 National HEDIS Reported Data: 84.55%
  - 2003 P4P Plan HEDIS Reported Data: 85.51%
- Cervical Cancer Screening
  - 2003 National HEDIS Reported Data: 81.77%
  - 2003 P4P Plan HEDIS Reported Data: 80.10%
- Breast Cancer Screening
  - 2003 National HEDIS Reported Data: 75.30%
  - 2003 P4P Plan HEDIS Reported Data: 75.46%
- Asthma Mgmt.: All Ages
  - 2003 National HEDIS Reported Data: 71.49%
  - 2003 P4P Plan HEDIS Reported Data: 68.22%

Pay for Performance: REPORTING RESULTS
IHA partnered with CA State Office of the Patient Advocate (OPA) on the scorecard:

- widely disseminated
- print and web-based versions
- “consumer friendly”
- non-English availability
### Office of the Patient Advocate
#### 2004 Quality of Care Report Card

<table>
<thead>
<tr>
<th>Name of Medical Group</th>
<th>Getting the Right Medical Care based on patient records and recommended standards of care</th>
<th>Patient Rating of Care Experiences based on patient surveys of their care and service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scored Lowest</td>
<td>Scored Average</td>
</tr>
<tr>
<td>Brown &amp; Toland Medical Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Humboldt-Del Norte IPA</td>
<td></td>
<td>★★★</td>
</tr>
<tr>
<td>Mann IPA</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Sonoma County Primary Care IPA</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Sutter Medical Group of the Redwoods</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>The Permanente Medical Group - Bay Area</td>
<td>★★★</td>
<td>★★★</td>
</tr>
<tr>
<td>Valley of the Moon Medical Group</td>
<td>★★★</td>
<td>★★★</td>
</tr>
</tbody>
</table>

The Permanente Medical Group's quality program differs from the California Pay for Performance program that is reported here.

www.opa.ca.gov
<table>
<thead>
<tr>
<th>Name of Medical Group</th>
<th>Scored Lowest</th>
<th>Scored Average</th>
<th>Scored Highly</th>
<th>Scored Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mills-Peninsula Medical Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Camino Medical Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brown &amp; Toland Medical Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palo Alto Medical Foundation</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Chinese Community Health Care Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physicians Medical Group of San Jose</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santa Clara County IPA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Jose Medical Group</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Medical Group at St. Luke's</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hill Physicians Medical Group- San Francisco</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What Did We Learn?

Collaboration by multiple stakeholders

• Need neutral convener (IHA’s role)
• Competitive stakeholders can collaborate on aligning incentives
• Governance and communication must include all stakeholders

Physician Organizations highly motivated

• Implemented and used disease registries
• Uniform measurement set focused efforts
What Did We Learn?

P4P can stimulate better care process

- Physician organizations focused on improving IHA measures
- Public reporting motivated action and improvement
- Physician adoption of measure depends on acceptance of guideline

Data collection and integration present enormous challenges and opportunities

- Collection and integration of pharmacy, lab and mental health data is especially challenging
- Up to 40% increase in encounter data capture
Potential Consumer Impact*

What does this mean for California consumers?

• Nearly 150,000 more women received cervical cancer screenings

• 35,000 more women received breast cancer screenings

• An additional 10,000 California kids got 2 needed immunizations

• 18,000 more people received a diabetes test

(*based on comparison between first year (2003) and test year (2002))
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2005 and beyond:

- 5 Year Workgroup: set long-term policy, priorities, establish a measure queue, recommend adding other products, training and technical assistance

- Expand program to Medicare Advantage

- Detailed evaluation by RAND and UC Berkeley to analyze performance and payment patterns, evaluate effectiveness of incentives; evaluators will have all confidential financial data from health plans and groups
Five Year Plan

• Increase health plan payments
  – Transparent reporting of payment amount and methodology is key for maintaining trust

• Develop strategy for expanding measure set
  – Addition of efficiency and value measures is critical

• Ensure sustainable business model

• Promote development and adoption of national performance measures
Medicare Advantage

- Alignment with national measures
  - Clinical: CMS, NQF, NCQA
  - Patient Experience: CAHPs survey
  - Information Technology: CMS, NCQA, Bridges to Excellence
- Implement in 2006/2007
- Promote development and adoption of national performance measures
California Quality Improvement Map

Physician

1. Establish Quality Standards
   - NCQA HEDIS
   - IHA P4P

2. Get the Data to Measure
   - CHCF Clinical Data Project – Setting Standards
   - CAPG Repository

3. Improve Performance
   - CCHRI BCCP

Lumetra DOQ-IT

CCHRI
BCCP

NCQA HEDIS

Pay for Performance: REPORTING RESULTS
Pay for Performance – Reporting Results

For more information:

www.iha.org
(925) 746-5100

Project funding for IHA Pay for Performance comes from the California Health Care Foundation