

# **California *Pay for Performance*: A Case Study with First Year Results**

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**Integrated Healthcare Association (IHA)**  
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# *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

# *National Perspective*

## Med-Vantage, Inc. National P4P Survey

	<u>2003</u>	<u>2004</u>
Commercial Plans	32	56
Medicaid Plans	1	9
CMS Initiatives	1	5
Coalitions	5	6
<b>TOTAL</b>	<b>39</b>	<b>80</b>

Presentation by B. Carter 10/4/04

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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)
- CIGNA
- Health Net
- PacifiCare

## Medical Groups/IPAs

- Over 215 groups / 45,000 physicians

**6.2 million HMO commercial enrollees**

# *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*

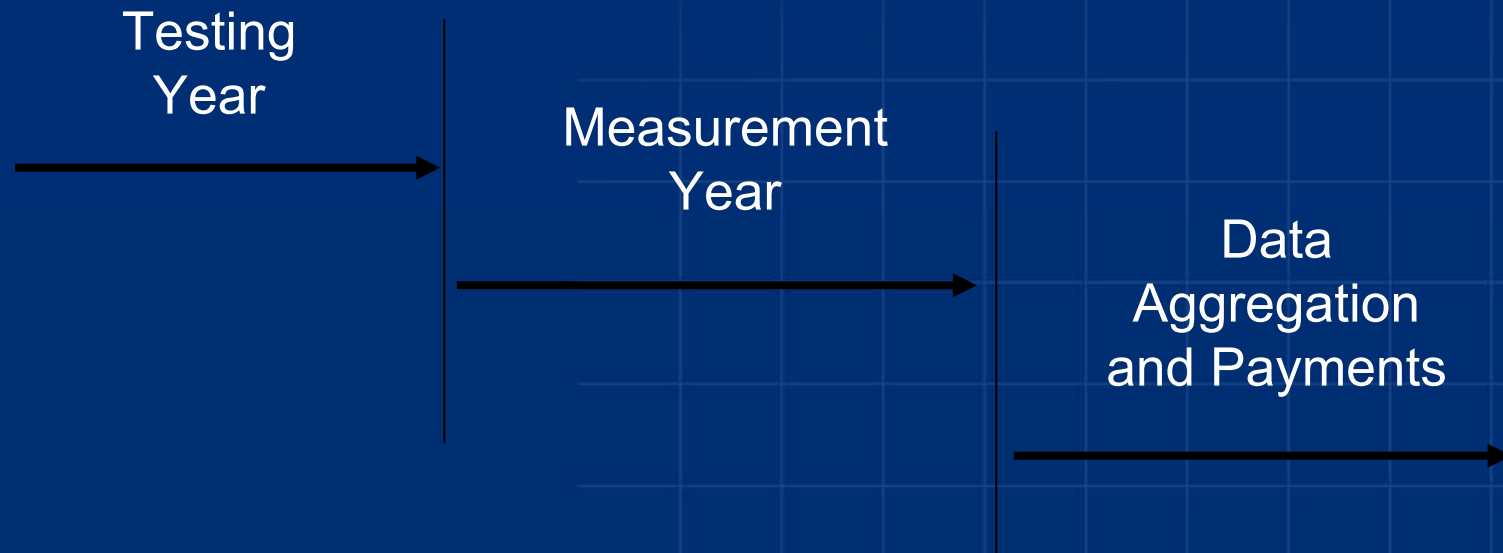
- California HealthCare Foundation grant
- 5 Year Evaluation (2003 – 2007)
- RAND and UC Berkeley (Haas School of Business)

# *P4P Performance - Principles*

## 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*



# *Measurement Year Domain Weighting*

	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Clinical</b>	50%	40%	50%
<b>Patient Experience</b>	40%	40%	30%
<b>IT Investment</b>	10%	20%	20%
<b>Individual Physician Feedback program</b>			10% override

# 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

# *2005 Information Technology*

## **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*

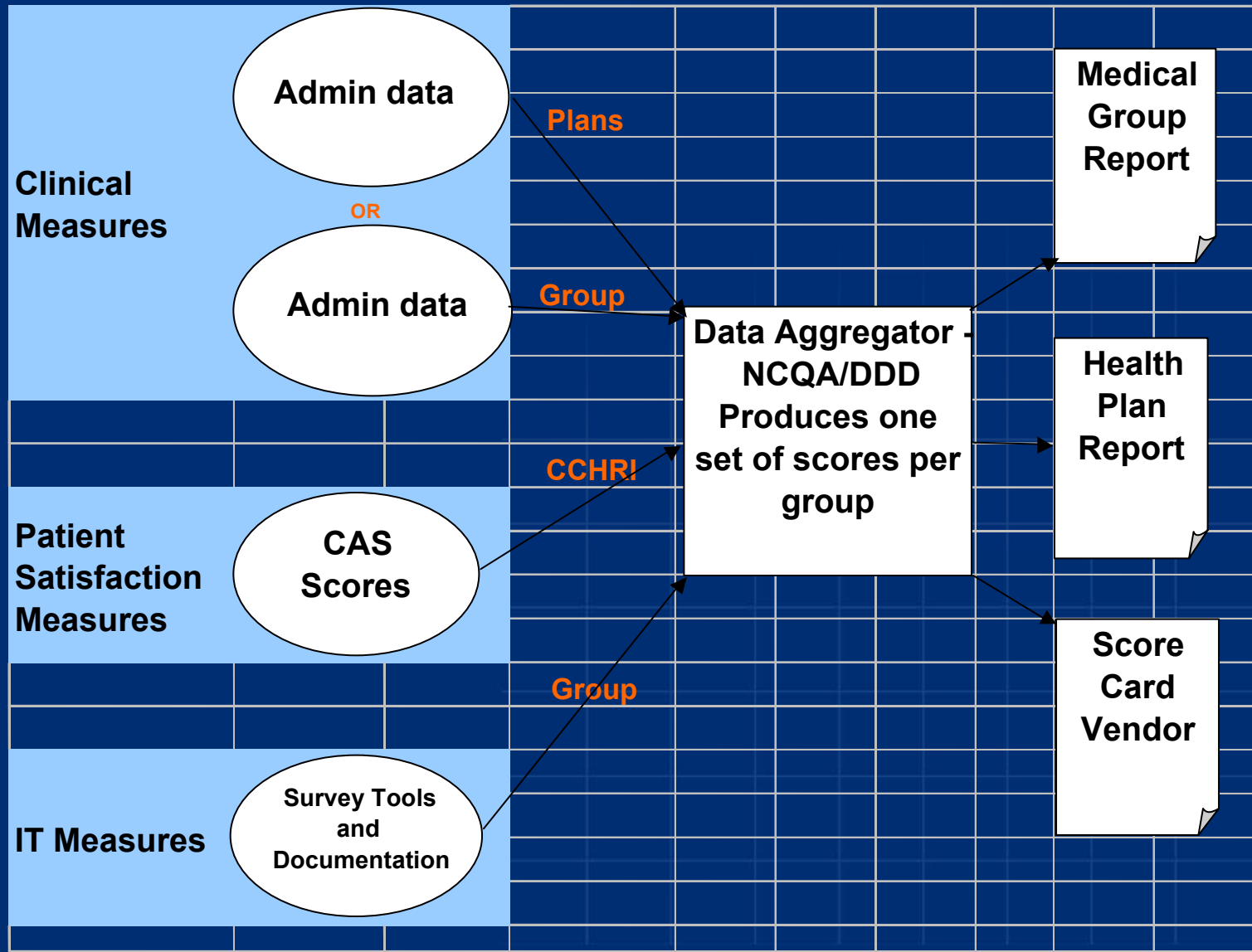
- Development =  
Create or change specifications for testing in following year
  - Depression treatment in primary care
  - Obesity
  - Diabetic Retinal Exams

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- **Data Collection**
- First Year Results
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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



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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)

# *Pay for Performance Data Submission Summary (2003)*

	<b>Number of Groups</b>	<b>Percent of Groups</b>	<b>% of Enrollment</b>
Clinical Measures	215	100%	100%
Patient Survey	133	62%	89.50%
IT Survey	100	47%	79.20%

# Clinical Measure Performance (2003)

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

**Notes:** Measure rates with denominators < 30 are not included in these summary statistics.

# *Patient Experience Measure Performance (2003)*

Name	# of groups	mean	max	min
Communication with Doctor	133	85.58	93.82	72.37
Rating of Doctor (pct 8-10)	131	80.03	91.08	66.48
Rating of Healthcare (pct 8-10)	133	69.98	84.19	48.09
Problem Seeing Specialist (pct No Problem)	131	59.46	77.49	33.69
Rating of Specialist (pct 8-10)	126	70.98	84.13	51.25
Timely Care and Service	133	69.53	83.89	53.26

# *P4P First Year Results - Performance*

## **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**

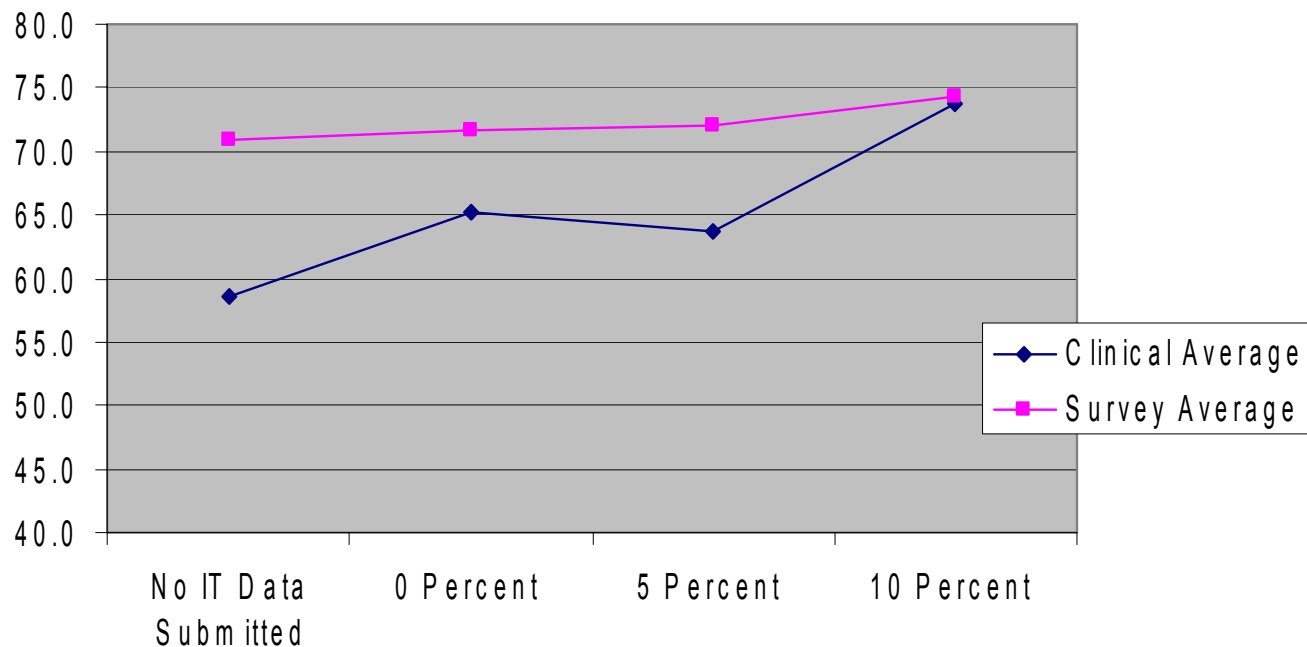
- 100 groups – 67 full credit, 26 no credit, 7 half credit;
- Higher IT results and clinical quality linked

## **Overall performance**

- 14 groups performed well in all three areas

# *Better IT and Better Quality Go Together*

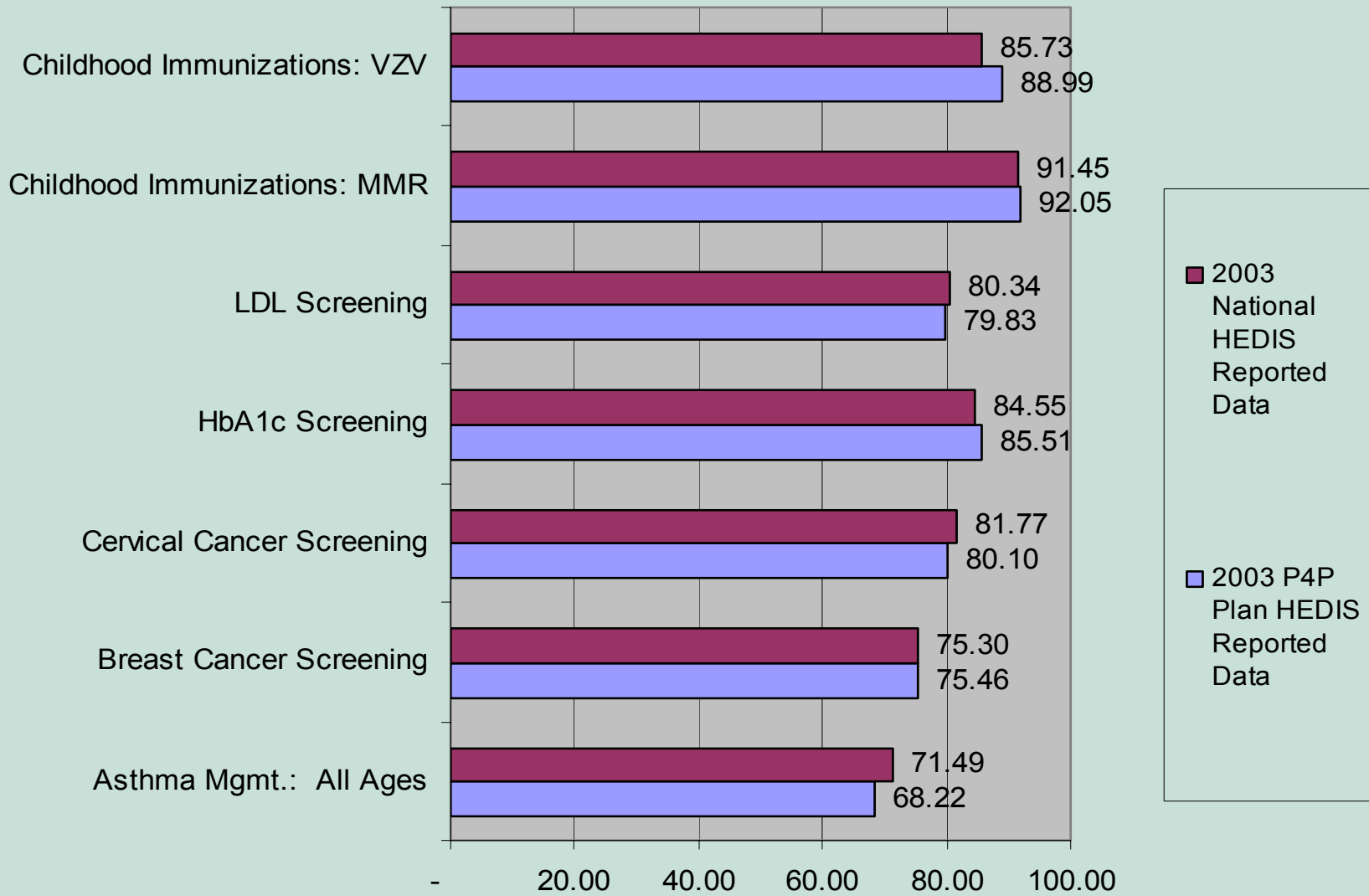
Clinical and Survey Measure Averages by IT Total Score



# *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



# *Public Scorecard*

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

Name of Medical Group	Getting the Right Medical Care based on patient records and recommended standards of care	Patient Rating of Care Experiences based on patient surveys of their care and service												
	<a href="#">Explore this rating</a>	<a href="#">Explore this rating</a>												
	<table border="0"> <tr> <td>Scored Lowest</td> <td>Scored Average</td> <td>Scored Highly</td> <td>Scored Best</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Scored Lowest	Scored Average	Scored Highly	Scored Best					<table border="0"> <tr> <td>☆ Poor</td> <td>★★ Good</td> </tr> <tr> <td>★ Fair</td> <td>★★★ Excellent</td> </tr> </table>	☆ Poor	★★ Good	★ Fair	★★★ Excellent
Scored Lowest	Scored Average	Scored Highly	Scored Best											
☆ Poor	★★ Good													
★ Fair	★★★ Excellent													
Brown & Toland Medical Group		★★												
Humboldt-Del Norte IPA		★★★★												
Marin IPA		★★												
Sonoma County Primary Care IPA		★★★★												
Sutter Medical Group of the Redwoods		★★												
The Permanente Medical Group - Bay Area	The Permanente Medical Groups' quality program differs from the California Pay for Performance program that is reported here	★												
Valley of the Moon Medical Group		★★												

[www.opa.ca.gov](http://www.opa.ca.gov)



# *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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# *Next Steps in the Program*

## **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*

- Test measure Medicare measure set (2005/2006)
- 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  
Lumetra  
MD  
Office  
Collab.

# *Pay for Performance – Reporting Results*

For more information:

[www.iha.org](http://www.iha.org)

(925) 746-5100

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