Introduction to IHA’s Value Based Pay for Performance (VBP4P) Program
About IHA

- **Organization:** California multi-sector healthcare leadership group
- **Mission:** Improve quality and lower costs of healthcare
- **Approach:** Multi-stakeholder collaboration incorporating performance measurement & incentive alignment
- **Projects:** Value Based P4P, clinical data sharing, encounter data, bundled payment, resource use measurement, and California Regional Cost and Quality Atlas
VBP4P Project Team

- **Lindsay Erickson**, Director
- **Ginamarie Gianandrea**, Sr. Program Coordinator
- **Maggie Cremin**, Program Coordinator
- **Thien Nguyen**, Project Manager
- **Jennifer Wong**, Project Manager
- **Emerson Song**, Project Analyst
# Physician Organization Level Performance Measurement Programs

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<th>IHA Performance Measurement Program by Product Line</th>
<th>Program Elements</th>
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<td>Common Measure Set</td>
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<td>Value Based P4P Program (Commercial HMO)</td>
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<td>Medicare Advantage HMO Program</td>
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<td>Managed Medi-Cal Program</td>
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<td>Commercial ACO Program</td>
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Launched in 2003, VBP4P is a statewide performance improvement program and one of the nation’s largest Alternate Payment Models (APM). IHA information demonstrates the care delivered by integrated physician organizations outperform non-integrated networks by an average of 48% on quality and 5% on cost.

Value Based Pay for Performance

200+ Medical Groups & IPAs

9 Health Plans

PARTICIPATING IN

Common Measurement

Public Report Card

Public Recognition 2016

Value Based Incentives

Common quality, patient experience & cost measures

One of the nation’s first & largest

<20% of medical groups achieve “Triple Aim”

Over $550 million paid to date

IMPACTING

9.6 Million Californians
Value Based Pay for Performance

Key Accomplishments:

• A leading set of aligned, common measures and benchmarks – currently in 15th year of measurement

• Robust results – without the program, half of health plan rates for provider groups would not meet validity standards for measurement

• Trusted Governance structure – voluntary participation representing over 95% of commercial HMO membership in California

• Value based – incorporated Total Cost of Care in measurement and reporting and implemented alternative payment model incentive design

• Providing data to drive lasting and meaningful gains in quality performance – 58,000 more diabetics had their blood pressure controlled and 280,000 more adults received appropriate colorectal cancer screening in 2015 compared to 2008
Aggregation Strengthens Signal

For example, the identified PO has aggregated performance across contracted plans of 61.08. On a plan-specific basis the PO’s performance ranges from 41.28 to 62.57 – the plan-specific results are more sensitive to variation in small numbers and reflect uncertainty about the PO’s actual performance.
VBP4P Program Evolution: From Quality to Value

- **2003**: First year commercial HMO quality measurement
- **2009**: Appropriate resource use measures added
- **2011**: Total Cost of Care measure added
- **2013**: Value Based P4P – quality and resource use integrated into a single incentive program
- **2014**: First payments for Value Based P4P
- **2016**: Total Cost of Care publicly reported
- **2018**: Expand VBP4P to Medi-Cal
Program Governance

Committee Structure for Health Plan & Physician Organization Involvement

Governance Committee

Technical Payment Committee
Contracting, Actuarial, and Medical Economics Experts

Technical Measurement Committee
Clinical and Data Reporting Experts

IHA Staff

Partners
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
- Public Recognition Awards
- Public Report Card
Value Based P4P Core Program Elements

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### Value Based P4P Measurement (Measurement Year 2017)

#### Clinical (60%)
- Process and outcomes measures focused on six priority clinical areas
  - Cardiovascular (5)
  - Diabetes (9)
  - Musculoskeletal (1)
  - Prevention (7)
  - Respiratory (3)
  - Behavioral Health & Substance Use (2)

#### Patient Experience (30%)
- Patient ratings of five components, including care overall:
  - Provider Communication
  - Care Coordination
  - Office Staff
  - Overall Ratings of Care
  - Access to Care

#### Advancing Care Information (10%)
- Ability to report selected e-measures (2)

#### Appropriate Resource Use
- Utilization metrics spanning:
  - Inpatient stays
  - Readmissions
  - ED visits
  - Outpatient procedures
  - Generic prescribing

#### Total Cost of Care
- Average health plan and member payments associated with care for a member for the year, adjusted for risk and geography
Adoption of a VBP4P Measure

**Testing**
- Reporting of testing measures is optional. Testing results are shared with P4P committees, who make the recommendation to adopt a measure.

**Baseline**
- Beginning the next measurement year, measures become a "baseline" measure, which is internally collected and reported by all POs, but not paid or publicly reported.

**Paid & Publicly Reported**
- In the following measurement year measures are recommended for payment and public reporting and can be commented on in public comment.
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
- Public Recognition Awards
- Public Report Card
## VBP4P Incentive Design

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<tr>
<th><strong>Does the PO qualify?</strong></th>
<th><strong>Did the PO improve or maintain efficient resource use?</strong></th>
<th><strong>How much is the PO’s incentive payment?</strong></th>
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| - Meets minimum Quality Composite Score | - Resource use performance compared to prior year to determine if savings generated to be shared | - Quality performance determines share of savings, adjusting up or down  
- Combined net shared savings and attainment incentive across all ARU measures |
| - Does not exceed Total Cost of Care Trend Gate | | |
| **ATTAINMENT** | - Meets minimum Quality Composite Score  
- TCC amount below 90th percentile for baseline & measurement year | - Resource use performance compared to P4P benchmarks |
Value Based P4P Core Program Elements

- Common Set of Measures
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Key Program Dates for Measurement Year 2017 (Calendar Year 2018)
Expectations for Care1st Physician Organizations in Measurement Year 2017 (Calendar Year 2018)

• In Progress
  – For MY 2017, Care1st is reporting data on behalf of all their contracted physician organizations.
  – Data for MY 2017 will be available for review by Care1st and Care1st physician organizations in Fall 2018.

• Need To Do
  ☐ Physician organizations will be asked to sign an agreement with IHA and set up user profiles prior to receiving results.
Upcoming Webinars

- August 2018 - Part 2: Introduction to IHA Measure Sets
- September 2018 - Part 3: Data Collection & Participation Timeline
VBP4P Resources

- MY 2017 VBP4P Manual
- VBP4P Common Measure Sets
- VBP4P Incentive Design
- VBP4P Newsletters
Physician organizations receive two complimentary registrations, so mark your calendars!

This year’s program will include:

- Featuring Keynote speaker Ian Morrison, PhD, Author & Healthcare Futurist
- Important updates on Value Based P4P
- Six breakout sessions on a variety of topics, including IHA’s new commercial ACO measurement, the Provider Directory Utility, and performance improvement

Agendas and registration information forthcoming
Questions?

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