



Integrated Healthcare Association (IHA) Overview of Principal Projects

The Integrated Healthcare Association (IHA) is a statewide leadership group that promotes quality improvement, accountability, and affordability of health care in California. IHA is a nonprofit association working to actively convene all healthcare parties for cross sector collaboration on health care topics. IHA administers regional and statewide programs and serves as an incubator for pilot programs and projects.

IHA membership includes major health plans, physician groups, and hospital systems, plus academic, consumer, purchaser, pharmaceutical and technology representatives. IHA's principal projects include pay-for-performance, the measurement and reward of efficiency in health care, value based purchasing of medical devices, health care affordability, bundled episode of care payments, and prevention programs directed at obesity.

Pay for Performance (P4P)

The IHA P4P program is the largest non-governmental physician incentive program in the United States to provide medical groups with financial rewards based upon performance against quality and efficiency benchmarks. The goal of the program is to create a compelling set of incentives that will drive breakthrough improvements in clinical quality, efficiency and the patient experience through: (1) a common set of measures; (2) a public report card; and (3) health plan incentive payments. The adoption of a common measure set of performance measures used by all health plans as the basis for reward and recognition allows the P4P stakeholders to use collective market forces to drive excellence in patient care. The aggregation of data across all participating health plans significantly improves the validity and reliability of measurement. IHA is responsible for collecting data, deploying a common measure set, and reporting results on behalf of eight health plans for approximately 35,000 physicians in 221 physician groups, representing 10 million members.

The physician groups benefit from being rated by one common rating system, rather than by competing and conflicting systems used by their various health plan partners. Having a standardized measure set also benefits consumers, since California consumers are able to get comparable information on the clinical performance of the participating physician groups, and a public report card is published on the website of the state's Office of the Patient Advocate (www.opa.ca.gov).

Efficiency Measures in Pay for Performance

Responding to soaring healthcare costs and double-digit health insurance premium increases, IHA added efficiency measures to its P4P program. The new measures for the first time add information on cost and resource use alongside existing P4P quality measures. Total resources used to treat a specific patient population over a specific period of time will be compared across physician groups, and will be risk-adjusted for disease severity and patient complexity. This will give a more comprehensive assessment of physician group performance and allow an appraisal of the value of healthcare spending. The new efficiency measures support the goal of delivering reliable, consistent, evidence-based clinical care at an affordable cost by reducing waste and thus systematically improving the quality of patient care.

Value Based Purchasing (VBP) of Medical Devices

The Integrated Healthcare Association (IHA) launched a Value Based Purchasing (VBP) for New Medical Technologies in June of 2008 to improve data transparency and payment methods for high-value medical devices, including orthopedic and cardiac implants, in the California health care system. This project brought together prominent hospital systems across the state to develop purchasing benchmarks and to participate in the exchange of best practices through collaborative roundtable events.

Bundled Episode of Care Pilot

There is growing interest in the health care industry and health policy world in the concept of paying for medical treatment on the basis of the “episode of care” rather than the individual test, procedure, or visit (fee-for-service) or the population-based continuum of care (capitation). Establishing a single budget or fee for care that involves multiple providers (and provider types) may address quality and efficiency problems that are rewarded by current payment systems, which increase reimbursement with increased volumes of services. Pricing mechanisms that bundle and fix the price of the components of a complex episode of care also represent a critical first step in providing consumers with transparent price and quality metrics, tools needed to make an informed, value-based selection of a provider team.

The Integrated Healthcare Association (IHA) is implementing a pilot to test the feasibility of bundling payments to hospitals, surgeons, consulting physicians and ancillary providers, for selected inpatient surgical procedures. The pilot will cover commercial populations within the existing California delivery system and regulatory environment. The pilot will focus initially on commercial PPO patient populations, but IHA intends to expand the pilot to HMO populations in subsequent phases of the project. Pilot participants explicitly intend to pay for the procedures on an actual vs. virtually-bundled basis; therefore, they must commit to building the administrative and contracting infrastructure to bill for services on a bundled basis and to disperse payments among participating providers.

IHA’s role in the project is to develop a coalition of willing hospitals, health plans, and physician groups that participate in each phase of the project. IHA has developed the framework for episode payment (episode definition, data analysis methodology, and standard quality measures) and will support collaborative resolution of operational issues.

Prevention of Obesity

IHA developed the Healthy Alternatives Vending Machine Program to combat obesity by urging employers to offer nutritious, low-fat and low-sugar alternatives in worksite vending machines. The IHA policy, initially introduced and adopted in 2005 by 20 member organizations, is aimed at creating environments at the workplace that make it easy to make healthy food choices. The Healthy Alternatives initiative has already given at least 200,000 employees at 500 worksites in California, along with 6.5 million Kaiser Permanente members at Kaiser facilities across the state, access to healthier options in vending machines. The success of this program within the health care community prompted IHA to urge top employers to adopt IHA’s turnkey Healthy Alternatives program.