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IHA PAY FOR PERFORMANCE CALIFORNIA INITIATIVE EVALUATES 215 MEDICAL GROUPS FOR REWARD AND RECOGNITION BY HEALTH PLANS

Represents 1.5 million Quality of Care Opportunities with 45,000 Doctors

Walnut Creek, CA - Integrated HealthCare Association today provided 215 California medical groups with information on their performance and that of their peer groups in the areas of: clinical quality, patient experience and investment in technology to support patient care. The data are part of the statewide Pay for Performance (P4P) initiative that not only evaluates medical group performance to help promote improvement, but also rewards the top performing groups with financial incentives. The information released today will be made available to consumers in an easy to use format this fall.

The IHA P4P program is the country's largest physician incentive program based on quality of care with participation by six California health plans (Aetna, Blue Cross, Blue Shield, Cigna, HealthNet and PacifiCare) with nearly 7 million commercial enrollees and 45,000 doctors. The program promotes a common set of measures that evaluate clinical quality of care for preventive services - such as breast cancer screening - plus treatment of chronic conditions such as diabetes and asthma. Patient experience is evaluated by asking patients who saw their doctors during the year for their views on factors such communication with their doctor and access to specialists. Finally, medical groups were rated on their investment and adoption of new information technology (IT) to support patient care. These include building patient registries for those with chronic illnesses and using physician or patient reminder systems at the point of care.

“This program marks a remarkable collaboration with the provider community and represents years of work by major stakeholders,” observed Bruce Bodaken, President and CEO of Blue Shield of California. “Through IHA, California health plans have come together with the medical groups to evaluate performance on a common measurement set that is relevant to all consumers. It is already making a difference.”

Today, California medical groups will receive data that shows their individual performance over all their patients in all the health plans they contract with and that participate in P4P. They will also receive a summary of the performance of the other groups – the number of the groups reporting for each measurement area; the average score for those areas and the range of scores for groups. The information is collected from health plans and medical groups and all data have been audited. 215 groups were evaluated on clinical performance; 133 on patient experience and 100 groups were rated on investment in IT, based on eligibility criteria.

The data collected and evaluated for these eligible medical groups represent more than 1.5 million “quality of care opportunities” – that is, the number of people in 2003 who should have received specific preventive and chronic care (as determined by generally accepted practice guidelines) and whether they did.

The National Committee for Quality Assurance (NCQA), a non-profit dedicated to improving health care quality, collected and analyzed data from the 215 participating groups. “The scope of this effort and the number of health plans, medical groups, doctors and patients that the P4P effort will affect is truly significant,” said NCQA President Margaret O’Kane. “It’s more than a pilot project – it’s a shift in the way California’s health care sector does business and it will mean that millions of Californians get better care. This is a model for the rest of the nation.”

“Publicly reporting P4P information this fall represents the first time comprehensive clinical information on medical groups will be available to California consumers,” according to IHA Executive director Tom Williams. In October, health plans will make bonus payments to qualified medical groups based on their performance in 2003. Each participating health plan determines its own methodology for determining bonus payments to medical groups using the common P4P measurement set. In some cases, they may also use additional criteria in determining payment. Total bonuses are expected to be in the \$50 million to \$100 million range for the first year.

“For years we’ve had competing and conflicting requirements and rating systems,” according to Steve McDermott, CEO of Hill Physicians Medical Group. “P4P gives us common comparative information to evaluate and reward the best care and service. It’s great for doctors and their patients.”

The IHA P4P program is part of the national RWJ Rewarding Results program. Funding for the IHA initiative is provided by the California Health Care Foundation (CHCF).

IHA (www.iha.org) is a statewide collaborative leadership group of California health plans, physician groups, and health care systems, plus academic, consumer, purchaser, pharmaceutical and new technology representatives. IHA promotes quality improvement, accountability, and affordability for the benefit of all California consumers through special projects, policy innovation and education.