



Contact: Cindy Ernst
510-208-1740
cernst@iha.org

February 15, 2007

FOR IMMEDIATE RELEASE

INTEGRATED HEALTHCARE ASSOCIATION ANNOUNCES NEW EFFICIENCY MEASURE IN PAY FOR PERFORMANCE TO IMPROVE HEALTHCARE QUALITY AND REDUCE COSTS

Thomson Medstat Chosen as Vendor/Partner after Extensive Selection Process

LOS ANGELES, Feb. 15, 2007 – Responding to soaring healthcare costs and double digit health insurance premium increases, the Integrated Healthcare Association (IHA) today announced the addition of efficiency measures to its Pay for Performance (P4P) program at the National Pay for Performance Summit in Los Angeles.

The new measures for the first time will 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 assessment of the value of healthcare spending.

“IHA’s new efficiency measures are a first step to realizing the Institute of Medicine’s (IOM) seminal recommendations to include efficiency measurement at every level of provider aggregation, and to prioritize efficiency measurements in P4P,” said Arnold Milstein, MD, MPH, a keynote speaker at the Pay for Performance Summit; medical director, Pacific Business Group on Health; national thought leader with Mercer Health & Benefits; IHA board member and recently elected to the IOM. “This is great news for millions of California workers, employers, and taxpayers who struggle under the burden of healthcare spending that is relentlessly outgrowing their income.”

“We fully embrace the goal of delivering reliable, consistent, evidence-based clinical care at an affordable cost,” said Wells Shoemaker, MD, medical director of the California Association of Physician Groups. “By doing the clinically right thing the first time and reducing waste, we can systematically improve the quality of patient care while at the same time reduce the cost to purchasers of health insurance.”

IHA’s P4P program is the largest physician incentive program in the United States. The program enables physician groups to receive financial rewards from participating health plans based on their performance in each of three domains: clinical care, patient experience, and use of information technology to support systematic evidence-based care. The new efficiency domain would include measures for episode-based and population-based group efficiency, efficiency by clinical area, and generic drug prescribing.

“The efficiency measures will focus physician attention on how to achieve the best use of limited healthcare resources,” according to Tom Williams, executive director of IHA. “We don’t want cheap care, we want appropriate care. We are looking for a value equation that will foster quality improvements and also moderate cost increases.”

After an extensive selection process spanning more than a year, IHA chose Thomson Medstat, a business of The Thomson Corporation, to be its vendor/partner to: help develop, test, analyze, and refine the efficiency measures (using Medstat’s Medical Episode Grouper); collect and aggregate data for over 6 million members of seven health plans; produce efficiency scores; and disseminate results to physician groups, health plans, and the public. The contract is valued at \$1,160,000.

The Integrated Healthcare Association (www.iha.org) is a not-for-profit statewide collaborative leadership group of California health plans, physician groups, and healthcare systems, plus academic, consumer, purchaser, pharmaceutical and technology representatives that promotes quality improvement, accountability, and affordability for the benefit of all California consumers through special projects, policy innovation, and education.

Thomson Medstat (www.medstat.com) solutions – including business intelligence and benchmark databases, decision support systems, and research services – help employers, government agencies, hospitals, and other organizations manage the cost and quality of healthcare. It is part of the Thomson Corporation.

###