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INCREASED USE OF INFORMATION TECHNOLOGY BY CALIFORNIA PHYSICIAN GROUPS SUPPORTS BETTER QUALITY OF CARE

Integrated Healthcare Association Pay for Performance Program Results Show Continued Improvement for Quality of Care Measures and Patient Experiences

OAKLAND, Calif., July 23, 2007 – The more that California physician groups use information technology to support patient management and care, the better they score on average on a range of important clinical quality measures, according to the Integrated Healthcare Association (IHA) which today released Pay for Performance (P4P) program results for 2006.

California physician groups participating in the P4P program (now in its fourth year of public reporting) continued to improve across all three areas of performance measurement: clinical quality, patient experience, and use of information technology (IT).

In 2006, the physician groups meeting all P4P criteria for IT had clinical scores 18 percent higher than those groups that did not meet any of the IT criteria.

“There is a significant difference in clinical achievements between groups that demonstrate little or no use of IT and those groups that have made a significant commitment to using IT to support patient care,” said Steve McDermott, CEO of Hill Physicians Medical Group and an IHA board member. “Pay for performance is proving to be an effective tool for motivating physician groups to invest in IT and to strive for higher levels of clinical performance and patient satisfaction.”

The program's IT measures examine two areas: how physician groups use IT to manage patient populations, e.g. use of patient registries; and how IT is used at the point of care, e.g., e-prescribing, drug interaction checks, monitoring lab results, electronic messaging, and preventive and chronic care reminders.

"When P4P results were first published in 2003, two-thirds of physician groups did not meet any IT criteria," said Tom Williams, executive director of IHA. "Today, only one third do not meet any of our IT criteria."

According to Williams, the percentage of physician groups achieving the maximum score for IT increased by 23 percent in 2006.

P4P program results are collected and analyzed by the National Committee for Quality Assurance (NCQA). Results for 2006 included:

- * Fifty percent of physician groups showed improvements across all 14 of P4P's clinical quality measures (including screening for cervical cancer, breast cancer, chlamydia, and diabetes; childhood immunization; asthma and cholesterol management).

- * Patient experience ratings have slowly improved since the program's inception, with patients reporting the most satisfaction overall with their doctor (87 percent), and doctor interaction (88 percent); but the lowest levels of satisfaction with getting appointments with specialists (73 percent), access to care (74 percent), and coordination of care (75 percent).

"When incentives are appropriately aligned and when quality becomes more transparent to the public, physicians respond in ways that matter to both their patients' health and care experience," said Robert J. Margolis, M.D., managing partner and CEO of HealthCare Partners and chairman of NCQA's board of directors. "After four years of measuring results, we continue to refine and improve our measures, but the bottom-line is that California is setting an example for the nation and demonstrating that even competing health plans and their medical groups can cooperate to improve quality."

The 2006 measurement year results will be used by health plans to calculate incentive payments for distribution to physician groups later this year. Health plans have already distributed over \$145 million in payments to physician groups as a result of meeting P4P quality measures from 2003 through 2005. Each health plan develops its own formula to determine payments based on their physician group's performance in relation to clinical quality and patient experience measures, and adoption of information technology (IT).

Complete results for the clinical, patient satisfaction, and IT measures are available now at <http://www.iha.org>. Scores for each participating physician group reflecting 2006 performance on clinical and patient experience measures will be posted on the California Office of Patient Advocate Web site, www.opa.ca.gov, by mid-September.

About Pay for Performance

California's P4P program is the nation's largest, involving over 40,000 physicians in 220 physician organizations that care for over 12 million individuals enrolled in eight major health plans (Aetna, Blue Shield, Blue Cross, CIGNA, Health Net, Kaiser Permanente, PacifiCare, and Western Health Advantage). An organizing principle behind P4P is the uniform evaluation of physician groups' performance across multiple health plans with a common set of quality measures. The clinical quality measures are adapted from NCQA's Health Plan Employer Data and Information Set (HEDIS®), the most widely used set of performance measures in health care.

About IHA

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.

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