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## **Integrated Healthcare Association Releases White Paper on Pay for Performance**

### *IHA Completes the Second Chapter of the California Pay for Performance Program for Measurement Years 2006 – 2009.*

**OAKLAND, Calif., July 21, 2009** – The Integrated Healthcare Association (IHA) is pleased to announce the publication of “The Second Chapter,” a white paper outlining the successes and key learnings of the California pay for performance (P4P) program – the largest non-governmental physician incentive program in the country. Since its inception, the program has grown to include eight health plans and over 200 medical groups representing 35,000 physicians caring for 11.5 million HMO members.

Over the past six years, P4P has had a number of successes, including the creation of a single performance-based set of measures and public report card, which was seen as a major step forward in performance measurement; the aggregation of data from multiple payers for calculating scores, which has increased reliability and trust; and the creation of a collaborative environment between health plans and physician groups.

“The major achievement is bringing large health plans, medical groups, the National Committee for Quality Assurance and Pacific Business Group on Health together to produce a statewide state-of-art quality report card based on best of class features,” said Michael Belman, MD, MPH, FACP, Medical Director Quality and Innovation, Anthem Blue Cross of California.

In spite of its successes, P4P has not fully achieved its goal to create performance breakthroughs in clinical outcomes or patient experience. The program has been

challenged by small incentive payments equalling less than 2 percent of total compensation. By contrast, 25 percent of a primary care physician's income in England is dependent upon performance, resulting in significant quality improvements according to Chris Ham, Professor of Health Policy and Management, University of Birmingham. A recent MedVantage ([www.medvantage.com](http://www.medvantage.com)) survey found that in the US, P4P payments average 7.25 percent of physician compensation.

The continued existence of IHA's P4P program has helped to dispel the myth that it is impossible to measure quality in healthcare. "The Second Chapter" outlines program evolution, performance results, program successes, lessons learned, and future opportunities for growth and change. Ultimately, the California experience demonstrates that P4P is not itself the answer, but that it is an important step towards accountability, continuous quality improvement, and effective payment reform in healthcare.

For more information about the Integrated Healthcare Association go to:  
[www.IHA.org](http://www.IHA.org).