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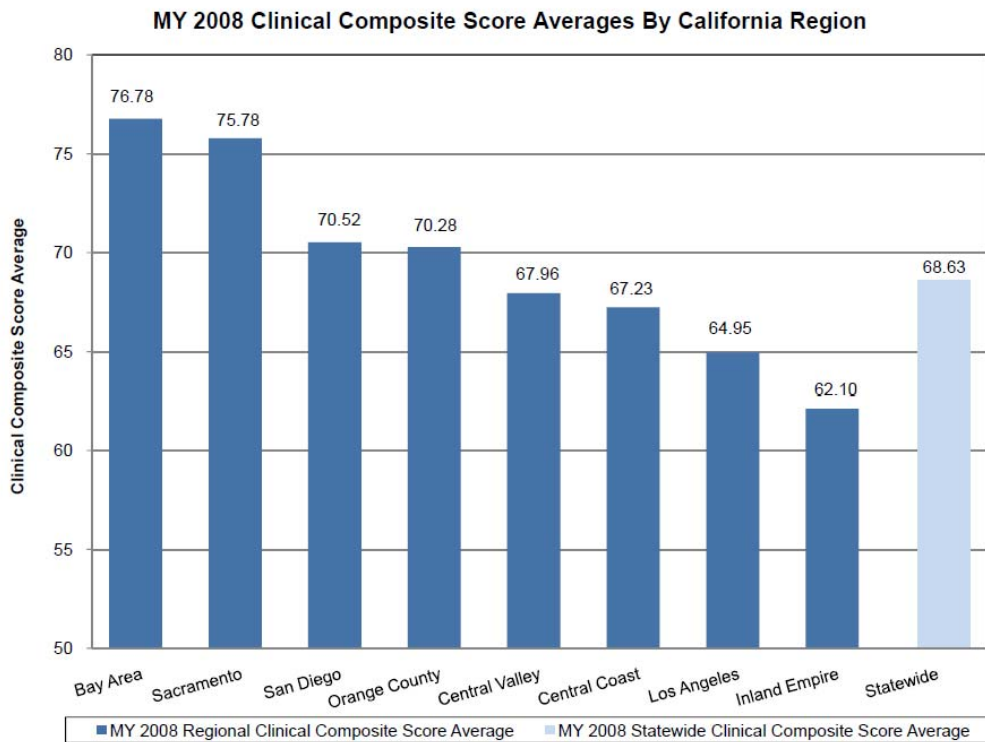
Striking Regional Variation in California Healthcare Performance

Results from California Pay for Performance program show substantial variation in key performance measures across geographical regions.

OAKLAND, Calif., August 27, 2009 – New healthcare performance results released by the Integrated Healthcare Association (IHA) include a comparison of average composite scores across eight California regions in four performance measurement domains: clinical quality, patient experience, information technology-enabled systemness, and coordinated diabetes care. In addition to overall improvement in these measures, results from measurement year 2008 reveal considerable regional performance variation – particularly in clinical quality – and demonstrate that physician organizations’ use of information technology (IT) is associated with better clinical quality. The full report and an executive summary on 2008 results can be found on the IHA website (www.IHA.org).

Regional Variation in Performance Scores

Atul Gawande’s thought-provoking New Yorker article on “The Cost Conundrum” drew the nation’s attention to the existence of extreme regional variation in healthcare costs across the country. IHA Pay for Performance (P4P) data demonstrate that regional variation in clinical quality exists within California, and that lower levels of performance persist in certain areas of the state. Clinical quality for a region is measured using a simple average of the clinical composite scores (calculated from performance on sixteen measures of preventive care, care for acute conditions, and care for chronic conditions) for each physician organization within a region. Average clinical composite results show that the Bay Area and Sacramento regions performed well above the statewide average, while the Inland Empire and Los Angeles regions lagged behind. The same performance pattern exists for patient experience, information technology-enabled systemness, and coordinated diabetes care domains.



While the Inland Empire has the lowest regional clinical composite average, there are physician organizations in that area that have been able to achieve considerable improvement in clinical performance, including Riverside Medical Clinic and High Desert Primary Care Medical Group. They attribute this improvement to adoption and use of IT and medical registries (electronic databases for tracking compliance to standards of medical care) that allowed better data collection for patient monitoring and follow-up.

Further, despite the demonstrated regional performance variation, there are select physician organizations within every region in the state that are able to achieve performance consistent with the highest level achieved statewide.

P4P Findings Stimulate Research and Quality Improvement Initiatives

Recognition of regional performance variation through the P4P program has inspired research of this variation and projects to support quality improvement in lower performing areas.

The Robert Wood Johnson Foundation recently funded a grant to research the cause of the variation discovered from the IHA P4P data. Lawrence P. Casalino, MD, PhD, Weill Cornell Medical College, the principal investigator for this work, stated, “Our primary research question is whether or not physician organizations located in more affluent

areas score higher on clinical quality. The joint study with IHA will provide information on this important question.”

Likewise, the California Department of Managed Health Care’s (DMHC) Right Care Initiative is directed at addressing the variation in performance exposed by the California P4P program.

“Quality of patient care and clinical performance are two fundamentals of California's unique delegated system. The wide variation in performance seems to reflect disparities of resources, IT infrastructure and leadership for change, and indicates the need for more structured support,” stated Cindy Ehnes, DMHC Director. “The California Right Care Initiative is a collaboration of leading academics, health plans, medical groups, and national quality organizations. Right Care will partner with the California Quality Collaborative (CQC) in the Inland Empire and will conduct its own demonstration project in San Diego to significantly improve quality scores through practice redesign, change leadership skills and health IT.” CQC is a healthcare improvement organization sponsored by the Pacific Business Group on Health.

IT-Enabled Systemness Associated with Better Clinical Quality

Understanding factors that may impact clinical quality performance is important and gives focus to improvement projects. Further analysis of the P4P results shows correlation between physician organizations’ clinical quality and adoption of health IT and its use in care management. Use of IT facilitates systematic collection of data which can then be used for assessing compliance and conducting patient outreach. Physician organizations that have adopted health IT capabilities perform better than those that have not.

About the Integrated Healthcare Association (IHA)

IHA is a statewide leadership group that promotes quality improvement, accountability, and affordability of healthcare in California. The IHA P4P program is the largest non-governmental physician incentive program in the U.S. and includes 8 health plans and over 225 medical groups representing 35,000 physicians providing care for 10.5 million HMO members. Other IHA programs include: medical technology value based purchasing; the measurement and reward of healthcare efficiency; and healthcare affordability. For more information on IHA please visit: www.IHA.org.