



MY 2010 Advanced Notice of Health Plan P4P Payment Methodology

| | Aetna | Anthem Blue Cross | Blue Shield of California | CIGNA HealthCare of California | Health Net | United HealthCare /PacifiCare | Western Health Advantage |
|--|---|--|--|--|---|--|--|
| Total Budget for IHA P4P Measures | \$2.4 M Subject to budget approval | \$19.7 M \$1.35 PMPM | \$15 M | \$2.7 M | \$4.0 M | \$4.6 M \$0.50 PMPM | \$.81 M \$.925 PMPM |
| Amount Payout Expected | All minus admin surcharge and admin expenses incurred for PO-specific data exchange programming assessed only to groups not sharing data | All | All minus admin surcharge | All minus admin surcharge | All minus admin surcharge and admin expenses | All minus admin surcharge \$4.4 M – Could change due to membership change by the payout date in 2011 | From previous experience about 80% is expected to be paid |
| Maximum payment potential | \$1.65 PMPM based on MY 2008 | \$1.35 PMPM | \$2.00 PMPM | N/A | N/A | \$0.50 PMPM (\$4.4 M) | \$1 PMPM for IHA and WHA measures. Total \$ depends on the medical groups WHA membership assigned to that group. |
| Eligibility Criteria | Meet IHA ENRST 4.0 PMPY encounter threshold Participate in PAS with sufficient participation to be deemed statistically valid as determined by the NCQA Signed delegation agreements Active risk contract for some portion of measurement year and at time of payout Be in full compliance with | Signed contract; all criteria clearly outlined in the contract | Encounter rate threshold of 2.6 PMPY based on ENRST 1,2,3 Valid contract Jan-Dec 2010 | Meet IHA ENRST 4.0 PMPY encounter threshold to qualify for clinical measures Participate in PAS Valid contract with CIGNA for entire measurement year and at time of payout Per P4P manual for each measure | E&M threshold of 3.0 All Encounter Rate tiering for final awards: 50% payout for 7.00; 100% payout for 8.00 PMPY or higher. The E&M and All Encounter Rates can be tracked using the monthly encounter report sent to POs. POs contracted for HMO and POS for full MY and at time of award distribution | Meet IHA ENRST 4.0 PMPY encounter threshold Minimum commercial membership of 1,000 in the month prior to the payout date Signed QIP participation contract the year prior to the payout date Meet the performance threshold | Meet IHA ENRST 4.0 PMPY encounter threshold |

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| | Aetna contract | | | | | | |
| Domain Weighting | Clinical: 40% Coordinated Diabetes Care: 20% IT-Enabled Systemness: 20% Pt. Experience: 20% Appropriate Resource Use: NA | Clinical: 40% Coordinated Diabetes Care: 20% IT-Enabled Systemness: 20% Pt. Experience: 20% Appropriate Resource Use: See ARU Section | Clinical: 40% Coordinated Diabetes Care: 20% IT-Enabled Systemness: 20% Pt. Experience: 20% Appropriate Resource Use: See ARU Section | Clinical: 40% Coordinated Diabetes Care: 20% IT-Enabled Systemness: 20% Pt. Experience: 20% Appropriate Resource Use: Under construction | Clinical: 40% Coordinated Diabetes Care: 20% IT-Enabled Systemness: 20% Pt. Experience: 20% Appropriate Resource Use: See ARU Section | Clinical: 15% Coordinated Diabetes Care: 10% IT-Enabled Systemness: 5% Pt. Experience: 30% Appropriate Resource Use: 40% | Clinical: 32% Coordinated Diabetes Care: 22% IT-Enabled Systemness: 22% Pt. Experience: 22% Appropriate Resource Use: 3% (Generic Medication Use is the only Measure) |

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| Payment Methodology | <p><u>Clinical, Patient Experience, Coordinated Diabetes Care and Systemness:</u> Payout pool allocated to eligible POs achieving top quartile results in weighted measures using the combined Attainment and Improvement scores published by IHA proportional to each PO's relative membership.</p> <p><u>Appropriate Resource Use</u> N/A</p> | <p><u>Clinical, Patient Experience, Coordinated Diabetes Care and Systemness:</u> Scores for each measure will be added together. The total points will be used to rank groups on a percentile table, and payments will be made based on this. Groups in the 20th to 100th percentiles will receive payment based on a sliding scale.</p> <p><u>Appropriate Resource Use</u> Use own shared savings methodology</p> | <p><u>Clinical, Patient Experience and Coordinated Diabetes Care:</u> Payments will be based on attainment and absolute improvement, whichever is greater. For each measure, we will calculate the attainment level, the absolute improvement, and the percentile ranking relative to other POs for each. Payout for each measure will be based on whichever percentile ranking is higher, attainment or improvement. Attainment will be paid based on the 75th – 100th percentile, improvement will be paid based on any positive improvement.</p> <p><u>Systemness:</u> Will pay 100% of max if 16-20 pts; 75% of payout if 11-15 pts; 50% of payout if 6-10 pts; 25% of payout if 1-5 pts.</p> <p><u>Appropriate Resource Use</u> Shared savings realized through efficiency improvements. Any cost savings realized will be shared with the PO following the gain sharing approach outlined by IHA.</p> | <p><u>Clinical, Patient Experience and Coordinated Diabetes Care:</u> The total budgeted amount is divided among the measures based on the domain weighting. For each measure, the full allocation will be paid out to groups in the top 50th percentile. The PMPM amount will increase for each higher ranking group. The Diabetes registry is a score not a percentage so higher score will receive more of the budgeted amount.</p> <p><u>Systemness:</u> The total budgeted amount is divided among the measures based on score/points. Payment is calculated proportionally by membership.</p> <p><u>Appropriate Resource Use</u> Under consideration</p> | <p><u>Clinical and Patient Experience</u> Continuous from 100th to 50th percentile - 50% attainment and 50% improvement</p> <p><u>Systemness</u> 20 pts = 100% payout 15-19 pts = 75% payout 10-14 points = 50% payout 5-9 points = 25% payout</p> <p><u>Coordinated Diabetes Care</u> In consideration - POs must have a valid score for all six measures in aggregate (A-F) and be in the top 50th percentile for this group of measures in total to receive an award – all or nothing concept.</p> <ol style="list-style-type: none"> HbA1c Screening HbA1c Poor CT HbA1c Control LDL Screening LDL CT (<100) Nephropathy <p>The remaining measures (G-J) in this category will be awarded based on whether they received credit – pass/fail concept.</p> <ol style="list-style-type: none"> Diabetes Registry Blood Pressure | <p><u>Clinical, Patient Experience and Coordinated Diabetes Care:</u> IHA P4P's attainment and improvement payment method is used to determine the payment amount.</p> <p><u>Systemness:</u> 100% awarded if group scores the max 20 pts; otherwise 0% awarded.</p> <p><u>Appropriate Resource Use</u> If PO is ranked between 75th and 84th percentile, the PO gets 50% of the allocated payment amount for that measure. If a PO is ranked 85th or higher, the PO gets 100% of the allocated payment amount for that measure.</p> | <p><u>Clinical:</u> For each measure, 100% awarded for 75th percentile or higher; 50% awarded for 50th to 74th percentile; 25% awarded if below 50th percentile AND achieved Relative Improvement of 15% or more.</p> <p><u>Patient Experience:</u> For each measure, 100% awarded for 75th percentile or higher; 50% awarded for 50th to 74th percentile. 25% awarded if below 50th percentile AND achieved Relative Improvement of 15% or more.</p> <p><u>Coordinated Diabetes Care:</u> Each Measure will be worth 10% of the Coordinated Diabetes Care Domain (or 2% of the overall program). The nine clinical measures will be scored like the clinical domain measures. The Diabetes Registry measure will have 5 points achievable. Each point will have equal weighting.</p> <p><u>Systemness:</u> Will pay 100% of max if 20 pts; 75% of payout if 15-19.9 pts; 50% of payout if 10-14.9 pts</p> <p><u>Appropriate Resource Use</u> For the generic prescribing measure, for each</p> |

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| | | | | | i) Actionable reports to physicians j) Individual physician measurement <u>Appropriate Resource Use</u> N/A | | therapeutic area: ≥ 75 th %ile = 100% bonus; 50 th to 74 th %ile = 50% bonus; <50 th %ile = no bonus |
| Implementing IHA data sharing recommendation | Yes - Full payout based on rewards earned is available only to groups sharing all P4P and HEDIS-related lab data electronically | No | Yes | No | Yes | Yes – to qualify for 100% payout POs must share all P4P and HEDIS-related labs results data electronically available, in the agreed upon standard format, for all members and all lab providers. 20% penalty will be applied if groups fail to meet the lab results data sharing requirements. Supplemental clinical data including child immunization registry needs to be shared in the standard format specified in the data sharing tool kit released by CCHRI in January 2008. | No |

CLINICAL DOMAIN

| | Aetna | Anthem Blue Cross | Blue Shield of California | CIGNA HealthCare of California | Health Net | United HealthCare /PacifiCare | Western Health Advantage |
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| Childhood Immunizations | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% (1.07% for individual IZs and 1.07% for combo) |
| Adolescent Immunizations | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% (1.07% for individual IZs and 1.07% for combo) |
| Chlamydia Screening | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Evidence-Based Cervical Cancer | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Breast Cancer Screening | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Colorectal Cancer Screening | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Medication Monitoring | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Asthma Medication Ratio | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| LDL Screening | 2.85% | 2.85% | 3.07% Combined | 3.07% Combined | 5.08% Combined | 1.07% | 2.14% |
| LDL Control <100 | 2.85% | 2.85% | | | | 1.07% | 2.14% |
| Child Pharyngitis | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Upper Respiratory Infection | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Adult Bronchitis | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Low Back Pain | 2.85% | 2.85% | 3.07% | 3.07% | 2.9% | 1.07% | 2.14% |
| Other clinical measures | none | none | none | none | none | none | none |

COORDINATED DIABETES CARE DOMAIN

| | Aetna | Anthem Blue Cross | Blue Shield of California | CIGNA HealthCare of California | Health Net | United HealthCare /PacifiCare | Western Health Advantage | |
|----------------------------------|-------|-------------------|---------------------------|--------------------------------|----------------------------------|-------------------------------|--------------------------|----|
| HbA1c Screening | 2.22% | | 2.5% | 2% | Combine with 9.5% | 1.05% | 2% | |
| HbA1c Poor Control (>9) | 2.22% | | 2.5% | 3% | 0% | 1.05% | 2% | |
| HbA1c Control (<8) | 2.22% | | 2.5% Combined | 3% | 9.5% Incl. HbA1c Screening | 1.05% | 2% | |
| HbA1c Control (<7) | 2.22% | | | | | 0 | 2% | |
| LDL Screening | 2.22% | | 2.5% Combined | 3% | | 1.05% | 2% | |
| LDL Control <100 | 2.22% | | | | | 1.05% | 2% | |
| Nephropathy Monitoring | 2.22% | | 2.5% | 2% | 1.5% | 1.05% | 2% | |
| Blood Pressure Control | 2.22% | | 2.5% | 5% | | 3.0% | 2.11% | 2% |
| Optimal Diabetes Care – Combo 1 | 2.22% | | 2.5% | | | 6.0% Combined | 0.53% | 2% |
| Diabetes Registry | 0 | | 2.5% Combined | 0 | | | | |
| Blood Pressure in registry | 0 | | | | | | | |
| Actionable reports to Physicians | 0 | | | | | | | |
| Individual Physician measurement | 0 | | | | | | | |

IT-ENABLED SYSTEMENESS DOMAIN

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| Data Integration for Population Management | Will Pay Based on IHA Score | All Equally Weighted | Will Pay Based on IHA Score | Will Pay Based on IHA Score | Will Pay Based on IHA Score | 0.83% | Will Pay Based on IHA Score |
| Electronic Clinical Decision Support at the Point of Care | | | | | | 1.33% | |
| Care Management | | | | | | 1.67% | |
| Electronic Reporting of BP for Hypertension | | | | | | 0.67% | |
| Physician Measurement and Reporting | | | | | | 0.50% | |

PATIENT EXPERIENCE DOMAIN

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| Appointment with Specialist | 2.22% | 2.22% | 2.5% Combined | 2.85% Combined | 4.4% Combined | 2.14% | 1.43% |
| Rating of Specialist | 2.22% | 2.22% | | | | 2.14% | 1.43% |
| Timely access to care | 2.22% | 2.22% | 2.5% | 2.85% | 2.22% | 4.29% | 2.86% |
| Doctor - patient communication | 2.22% | 2.22% | 2.5% | 2.85% | 2.22% | 4.29% | 2.86% |
| Care Coordination | 2.22% | 2.22% | 2.5% | 2.85% | 2.22% | 4.29% | 2.86% |
| Rating of PCP | 2.22% | 2.22% | 2.5% | 2.85% Combined | 4.4% Combined | 2.14% | 1.43% |
| Rating of all health care | 2.22% | 2.22% | 2.5% | | | 2.14% | 1.43% |
| Office Staff composite | 2.22% | 2.22% | 2.5% | 2.85% | 2.22% | 4.29% | 2.86% |
| Health Promotion composite | 2.22% | 2.22% | 2.5% | 2.85% | 2.22% | 4.29% | 2.86% |

APPROPRIATE RESOURCE USE DOMAIN

| | Aetna | Anthem Blue Cross | Blue Shield of California | CIGNA HealthCare of California | Health Net | United HealthCare /PacifiCare | Western Health Advantage |
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| Inpatient Utilization – Discharges | N/A | Using Own Specifications – See other measures section | Following IHA standard gain sharing methodology for: <ul style="list-style-type: none"> ▪ Inpatient Utilization – bed days ▪ Outpatient Surgeries - % done in ASC ▪ Inpatient Readmissions within 30 days ▪ Emergency department visits ▪ Using own methodology for Generic Prescribing | Using Own Specifications – See other measures section | Using Own Specifications – See other measures section | 0% | N/A |
| Inpatient Utilization – Bed Days | N/A | | | | | 6% | N/A |
| Outpatient Surgeries - % Done in ASC | N/A | | | | | 12% | N/A |
| Emergency Department Visits | N/A | | | | | 12% | N/A |
| Inpatient Readmissions within 30 Days | N/A | | | | | 10% | N/A |
| Generic Prescribing | N/A | | | | N/A | 0% | Yes |

OTHER PERFORMANCE MEASURES

| | Aetna | Anthem Blue Cross | Blue Shield of California | CIGNA HealthCare of California | Health Net | United HealthCare /PacifiCare | Western Health Advantage |
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| | Shared risk – Engage physician groups in managing hospital care and outpatient facilities to further mutual aim of affordable, accessible health care. Physician groups will share in benefits and savings produced. | Other incentive programs include: 1) Generic Prescribing Incentive Program 2) Shared Savings Program based on: - medical surgical bed days - outpatient surgeries - ER | | Shared Risk –Engage physician groups in managing hospital care, outpatient facilities, injectables, other medical services, etc. to further mutual aim of affordable, accessible health care. ER and ASC utilization in development | Using own specifications similar to those proposed by IHA. Program is outside of the current P4P award process. Incentives through various shared risk programs, including a pilot project related to the proposed appropriate resource use measures | | Four “administrative quality data” metrics, equally weighted 1) % of PCP practices open to new WHA members 2) Encounter data submission timeliness and completeness 3) Formulary compliance 4) Generic Prescribing now follows the IHA measure |