

# TRANSPARENCY REPORT ON 2007 HEALTH PLAN PAYOUTS

## PAY FOR PERFORMANCE For California Commercial HMO and POS For 2006 Measurement Year (2007 payout)

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Total payment for IHA measures for commercial HMO and POS</b>	\$1.75 M \$0.55 PMPM avg This includes 10% Physician Incentive Bonus	\$32.94 M \$1.90 PMPM avg This includes Physician Incentive Bonus	\$14.56 M \$1.28 PMPM avg	\$2.65 M \$0.89 PMPM avg This includes 10% Physician Incentive Bonus	\$3.53 M \$0.25 PMPM avg This includes 10% Physician Incentive Bonus	\$9.27 M \$0.62 PMPM avg	\$628,080 \$0.73 PMPM avg This includes Physician Incentive Bonus
<b>Total payment for non-IHA performance measures for commercial HMO and POS</b>	\$4.64 M \$1.47 PMPM avg See <b>Other Performance Measures</b> section below	\$36 M \$2.08 PMPM avg See <b>Other Performance Measures</b> section below	\$16.45 M \$2.11 PMPM avg See <b>Other Performance Measures</b> section below	\$1.3 M \$0.44 PMPM avg See <b>Other Performance Measures</b> section below	\$17.2 M \$1.24 PMPM avg See <b>Other Performance Measures</b> section below	\$13.8 M \$0.92 PMPM avg See <b>Other Performance Measures</b> section below	\$58,364 \$0.07 PMPM avg See <b>Other Performance Measures</b> section below
<b>Total performance payments for commercial HMO &amp; POS</b>	\$6.39 M total for all measures \$2.02 PMPM avg Annual payout	\$69 M total for all measures \$3.98 PMPM avg Annual payout	\$31.02 M total for all measures \$2.32 PMPM avg Annual payout	\$3.95 M total for all measures \$1.32 PMPM avg Annual payout	\$20.73 M total for all measures \$1.49 PMPM avg Annual payout	\$23.1 M total for all measures \$1.54 PMPM avg Annual payout	\$686,444 total for all measures \$0.80 PMPM avg Annual payout
<b>Payments for IHA measures as percent of total</b>	27.4%	47.7%	46.9%	67.1%	17.0%	40.1%	91.5%

**PAYMENT METHODOLOGY**  
**For California Commercial HMO and POS**  
**For 2006 Measurement Year (2007 payout)**

	<b>Aetna</b>	<b>Blue Cross</b>	<b>Blue Shield</b>	<b>CIGNA</b>	<b>Health Net</b>	<b>PacifiCare</b>	<b>Western Health Advantage</b>
<b>Used absolute threshold to qualify for determining payment</b>	No	No	No	No	No	No	No
<b>Used relative percentile ranking for determining payment</b>	<p>Clinical and Patient Experience: For each measure, only groups performing in top IHA quartile were eligible for payment</p> <p>The total budgeted amount was divided among the measures based on the weighting. For each measure, the full allocation was paid out to groups in the top quartile</p> <p>Payment calculated proportionally by membership.</p> <p>IT: Payouts based on total combined percent earned for Measures 1 and 2, as published by NCQA.</p>	<p>Scores for each measure are added together. The total points are then used to rank groups on a percentile table, and payments are made based on this</p> <p>Groups in the 20<sup>th</sup> to 100<sup>th</sup> percentiles received payment based on a sliding scale</p> <p>Maximum payment potential of \$4.50 PMPM for all measures; IHA measures are 48% of the possible points</p>	<p>Clinical: paid 100% of max if <math>\geq 75^{\text{th}}</math> percentile; 50% of max if 50<sup>th</sup> to 74<sup>th</sup> percentile; 25% of max if 30<sup>th</sup>-49<sup>th</sup> percentile</p> <p>Patient Experience: paid 100% of max if "above average" score on PAS, 50% if "average" and \$0 if "below average"</p> <p>IT: paid 100% of max if met 4 qualifying activities (at least 2 activities in Measure 2)</p> <p>Maximum PMPM of \$2.00 (\$1.00 max for clinical, \$0.60 max for patient experience, and \$0.40 max for IT)</p>	<p>Clinical and Patient Experience: The total budgeted amount was divided among the measures based on the domain weighting. For each measure, the full allocation was paid out to groups in the top 50<sup>th</sup> percentile. The PMPM amount increased for each higher ranking group. Top performing group received \$1.65 PMPM for IHA measures.</p>	<p>Groups earned points for Achievement based on their placement in the 50<sup>th</sup>, 70<sup>th</sup>, 85<sup>th</sup> and 95<sup>th</sup> percentiles</p> <p>Groups demonstrating Relative Improvement earned points based on their quartile placement for each eligible measure</p> <p>25% of the points in the bottom quartile; 50% of the points in the 2nd quartile; 75% of the points in the 3rd quartile; 100% of the points in the top quartile</p> <p>IT: Payouts based on total combined percent earned for Measures 1 and 2, as published by NCQA.</p>	<p>Clinical and Patient Experience: For each measure, 100% awarded for 85<sup>th</sup> percentile or higher; 50% awarded for 75<sup>th</sup> to 84<sup>th</sup> percentile</p> <p>IT: 100% awarded if group scores 20% on IT; otherwise 0% awarded</p> <p>Maximum payment potential of \$2.36 PMPM for all QIP measures; IHA measures are 90.6% of the points</p>	<p>Clinical: For each measure, 100% awarded for 75<sup>th</sup> percentile or higher; 50% awarded for 50<sup>th</sup> to 74<sup>th</sup> percentile; 25% awarded if below 50<sup>th</sup> percentile AND achieved Relative Improvement of 15% or more</p> <p>Patient Experience: For each measure, 100% awarded for 75<sup>th</sup> percentile or higher; 50% awarded for 50<sup>th</sup> to 74<sup>th</sup> percentile. No bonus for below 50<sup>th</sup> percentile</p> <p>IT: Each activity is worth 5%. To receive the full 20% requires a minimum of four activities of which at least two are from Measure 2.</p> <p>Maximum PMPM of \$1.00</p>

### PAYMENT METHODOLOGY (CONTINUED)

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Criteria for physician group to be eligible for incentive payment</b>	<p>Meet IHA 3.5 PMPY encounter threshold</p> <p>Participate in PAS with sufficient participation to be deemed statistically valid as determined by the NCQA</p> <p>Signed delegation agreements</p> <p>Active risk contract for some portion of measurement year and at the time of payout</p> <p>Be in full compliance with Aetna contract</p>	<p>Signed contract; all criteria clearly outlined in the contract</p>	<p>Encounter threshold of 2.7 E&amp;M visits PMPY, excluding E&amp;M visits with an acute inpatient facility place of service</p> <p>Signed contract in measurement year and at time of payout</p>	<p>Meet IHA 3.5 PMPY encounter threshold to qualify for clinical measures</p> <p>Participate in PAS</p> <p>Group must be effective with Cigna for entire measurement year</p>	<p>Open to all physician groups in HMO and POS network</p> <p>Active contract at time of payout</p> <p>Base Award = Encounter Submission Rate Multiplier x Avg # Members x ([Non-IT Payment Rate x Non-IT Points Earned] + [IT Payment Rate x IT Points Earned])</p> <p>Encounter Submission Rate Multiplier: 50% for 2.70-2.84 PMPY E&amp;M encounters; 75% for 2.85-2.99 PMPY; 100% for 3.0 PMPY or higher</p> <p>Payment Rate = dollar pool / total member-weighted earned points</p> <p>Bonus for PIB: Final Financial Award = Base Award x 1.10</p>	<p>Minimum commercial membership of 1,000 in the month prior to the payout date</p> <p>Need to sign the QIP participation contract the year prior to the payout date</p>	<p>Meet IHA 3.5 PMPY encounter threshold</p>

**ADOPTION OF UNIFORM INTEGRATED HEALTHCARE ASSOCIATION (IHA) MEASUREMENT SET**  
**For California Commercial HMO and POS**  
**For 2006 Measurement Year (2007 payout)**

**Clinical Measures**

	<b>Aetna</b>	<b>Blue Cross</b>	<b>Blue Shield</b>	<b>CIGNA</b>	<b>Health Net (160 of 400 pts)</b>	<b>PacifiCare</b>	<b>Western Health Advantage</b>
<b>Childhood Immunizations (VZV and MMR)</b>	Yes – 1.82% each and .625% each for Relative Improvement	Yes – 2.275% each	Yes – 2.78% each	Yes – 2.78% each	Yes – 2.275% each (20 pts combined)	Yes – 3.1% each	Yes – 2% each
<b>Cervical Cancer Screening</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>Breast Cancer Screening</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>Asthma Management</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>HbA1c Screening</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 2.78%	Yes – 2.78%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>LDL Screening</b>	Yes – 3.64%	Yes – 4.55%	Yes – 2.78%	Yes – 2.78%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>Chlamydia Screening</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>HbA1c Poor Control</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 2.78%	Yes – 2.78%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>LDL &lt;130</b>	Yes – 3.64%	Yes – 4.55%	Yes – 2.78%	Yes – 2.78%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>Upper Respiratory Infection</b>	Yes – 3.64% and 1.25% for Relative Improvement	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	Yes – 6.19%	Yes – 4%
<b>Nephropathy Monitoring (new for MY 2006)</b>	Yes – 3.64%	Yes – 4.55%	Yes – 5.55%	Yes – 5.55%	Yes – 4.55% (20 pts)	No	Yes – 4%

## ADOPTION OF IHA MEASUREMENT SET (CONTINUED)

### Clinical Measures (continued)

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Other clinical measures</b>	None	None	None	None	None	Yes, see <b>Other Performance Measures</b> section	None
<b>Total # Clinical Measures</b>	11	11	11	11	11	11 total, 10 of which overlap with IHA	11
<b>Other comments:</b>	Use IHA weighting (50% clinical) (40% performance, 10% improvement)	Accounts for 50% of payout for IHA measures (60 of 250 points in overall Quality/Best Practices Scorecard)	Use IHA weighting (50% clinical)	Use IHA weighting (50% clinical)	Use IHA weighting (50% clinical) (200 of 400 points in overall QCIP)	Accounts for 62% of payout for IHA measures	Accounts for 44% of payouts for IHA measures

## ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

### Patient Experience Measures

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Appointment with Specialist</b>	Yes – 2% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3% (12 pts)	Yes – 3.1%	Yes – 3.3%
<b>Rating of Specialist</b>	Yes – 2% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3% (12 pts)	Yes – 3.1%	Yes – 3.3%
<b>Timely access to care</b>	Yes – 4% and 2% for Relative Improvement	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6% (24 pts)	Yes – 6.19%	Yes – 6.6%
<b>Doctor - patient communication</b>	Yes – 4% and 2% for Relative Improvement	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6% (24 pts)	Yes – 6.19%	Yes – 6.6%
<b>Rating of PCP</b>	Yes – 2% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3% (12 pts)	Yes – 3.1%	Yes – 3.3%
<b>Rating of all health care</b>	Yes – 2% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3% (12 pts)	Yes – 3.1%	Yes – 3.3%
<b>Care Coordination</b>	Yes – 4% and 2% for Relative Improvement	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6% (24 pts)	Yes – 6.19%	Yes – 6.6%
<b>Other patient experience measures</b>	None	None	None	None	None	Yes, see <b>Other Performance Measures</b> section	None
<b>Total # of patient experience measures</b>	7 measures based on 30 PAS questions	7 measures based on 30 PAS questions	7 measures based on 30 PAS questions	7 measures based on 30 PAS questions	7 measures based on 30 PAS questions	9 measures, of which 7 measures were based on PAS questions	7 measures based on 30 PAS questions
<b>Other comments:</b>	Used IHA weighting (30% Patient Experience; 20% performance, 10% improvement)	Accounts for 42% of payout for IHA measures (50 of 250 points in overall Quality/Best Practices Scorecard)	Used IHA weighting (30% Patient Experience)	Used IHA weighting (30% Patient Experience)	Used IHA weighting (30% Patient Experience) (120 of 400 points in overall QCIP)	Accounts for 30.9% of payout for IHA measures	Accounts for 33% of payout for IHA measures

## ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

### Information Technology Measures

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Integrate clinical electronic data sets for population management</b>	Yes	No	Yes	Yes	Yes	Yes	Yes
<b>Support clinical decision making at point of care</b>	Yes	No	Yes	Yes	Yes	Yes	Yes
<b>Other IT measures</b>	None	None	None	None	None	None	None
<b>Other comments:</b>	Used IHA weighting (20% IT; 4 activities weighted equally at 5% each)  To receive maximum credit, at least two of the required four activities must be from Measure 2	Did not reward IT domain (0%)	Used IHA weighting (20% IT; 4 activities weighted equally at 5% each)  To receive maximum credit, at least two of the required four activities must be from Measure 2	Used IHA weighting (20% IT; 4 activities weighted equally at 5% each)  To receive maximum credit, at least two of the required four activities must be from Measure 2	Used IHA weighting (20% IT)  (80 of 400 points in overall QCIP)	Used own weighting, 6.19% total	Used own weighting (22% IT; four activities equally weighted at 5.5%)  To receive maximum credit, at least two of the required four activities must be from Measure 2

### Physician Incentive Bonus

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
MD-level quality measurement and incentives	Yes An additional 10% of the total reward earned from the other domains combined	Yes Accounts for 8% of payout for IHA measures (10 of 250 points in overall Quality/Best Practices Scorecard)	No	Yes An additional 10% of the total reward earned from the other domains combined	Yes An additional 10% of the total reward earned from the other domains combined	Yes Accounts for 0.88% of payout for IHA measures	Yes Up to 10% credit towards any deficit in other measures

## ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

### Relative Improvement

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
Payment for improvement	Yes 20% of the total IHA bonus pool was paid on relative improvement	No	No	Yes 10% of the total IHA bonus pool was paid on relative improvement	Yes 50% of each eligible clinical and patient experience measure was paid on relative improvement; Accounts for 33% of payout for IHA measures	No	Yes, for clinical measures that were below the 50 <sup>th</sup> percentile and had at least 15% Relative Improvement

### Other Performance Measures

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
	Shared risk – Engaged physician groups in managing hospital care to further mutual aim of affordable, accessible health care. Physician groups shared in benefits and savings produced  \$4.64 M paid in 2007	Blue Cross’ Quality/ Best Practices Scorecard includes IHA and non-IHA measures. For MY 2006, the non-IHA BCC performance incentive measures accounted for 130 of 250 points, and were as follows:  1) Medical Group Site Visit Audit – 10 points  2) Corrected Administrative Appeals per 1000 Member Months – 40 points	All physician groups participated in the IHA Pay for Performance Program. In addition, some groups participated in programs with the following measures:  1) Managing hospital and out-of-network care (Shared Savings Program / Performance Improvement Rewards Program)  2) Maintaining Hospitalist Program	Shared Risk – Engaged physician groups in managing hospital care, outpatient facilities, injectables, other medical services, etc. to further mutual aim of affordable, accessible health care.  \$1.3 M paid in 2007	Shared Risk – Engaged physician groups in managing hospital care to further mutual aim of affordable, accessible health care. Physician groups shared in benefits and savings produced  Avoided Hospital Admissions – Savings sharing program for the use of home IV infusion in lieu of hospitalizations	PacifiCare’s QIP payout includes IHA and non-IHA measures. The non-IHA QIP measures include: 1) Anti-depressant Medication Mgmt 2) Primary Care Access Complaints 3) Overturned Appeals 4) Potentially Avoidable Hospitalizations 5) Inpatient Readmission	Five “administrative quality data” metrics, equally weighted  1) % of PCP practices open to new WHA members  2) encounter data submission timeliness and completeness  3) Participation in a county immunization registry  4) % of eligible members enrolled in Q-Med disease management program

## ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

### Other Performance Measures (continued)

	Aetna	Blue Cross	Blue Shield	CIGNA	Health Net	PacifiCare	Western Health Advantage
<b>Note:</b>		3) Encounter data – 20 points 4) Clinical efficiency – 60 points \$15 M paid in 2007 on the above measures An additional \$21 M paid in 2007 on Generic prescribing incentive program	3) Managing utilization \$16.45 M paid in 2007		\$17.2 M paid in 2007 related to Shared Risk, Avoided Hospital Admissions Programs, and Generic Substitution	6) Use of Preferred Antibiotics 7) Risk-adjusted inpatient bed days 8) Risk-adjusted outpatient surgeries 9) Risk-adjusted ER visits 10) Risk-adjusted lab tests 11) Risk-adjusted x-ray \$0.48 M paid for non-IHA QIP measures Non-QIP Incentive Programs: 1) Hospital – \$5.06 M 2) Pharmacy – \$3.73M 3) Mammography – \$0.22 M 4) Cap Guarantee – \$0.28 M 5) Generic Pharmacy – \$2.78 M 6) Senior Metrics – \$0.08 M 7) Bed Incentives – \$1.17 M \$13.32 M total paid in 2007 for non-QIP incentive programs	5) % of prescriptions that are Generic \$58,364 paid in 2007 Attaining NCQA's Diabetes Physician Recognition Award earns up to 10% credit toward any deficit in other measures

**USE OF AGGREGATED DATASET  
For California Commercial HMO and POS  
For 2006 Measurement Year (2007 payout)**

	<b>Aetna</b>	<b>Blue Cross</b>	<b>Blue Shield</b>	<b>CIGNA</b>	<b>Health Net</b>	<b>PacifiCare</b>	<b>Western Health Advantage</b>
<b>Used aggregated dataset exclusively for IHA measures</b>	Yes, for IHA measures	Yes, for IHA measures	Yes, for IHA measures	Yes, for IHA measures	Yes, for IHA measures	Yes, for IHA measures	Yes, for IHA measures
<b>Used aggregated dataset and own plan data</b>							
<b>Did not use aggregated dataset; only used own plan data</b>	Yes, for other measures	Yes, for other measures	Yes, for other measures	Yes, for other measures	Yes, for other measures	Yes, for other measures	Yes, for other measures

**Glossary**

Absolute threshold – A certain score that a physician group must meet or exceed to be eligible for incentive payment.

Aggregated dataset – The dataset created by combining the scores from each plan or self-reporting group for each measure into a single score for each physician group for that measure.

IHA measures – The measures included in the uniform measurement set.

Non-IHA performance measures – All contractually arranged incentive programs - other than IHA's P4P measure set and payments - that involve potential payment to contracted physician groups for commercial HMO/POS members for a particular calendar year. This could include payments based on utilization measures and administrative servicing measures, as well as clinical quality and patient satisfaction measures that are different than the IHA measure set. Some examples include shared risk; generic substitution; grievances and appeals; voluntary member transfers for quality issues; encounter submission; open panel; compliance with NCQA and state law utilization standards; patient safety; Individual physician quality incentive program (for MY2004 or earlier only); care management

Own plan data – Data outside of the P4P aggregated dataset that the plan has access to, including encounters, claims, survey responses, administrative databases, etc.

Pay for Performance – The practice of paying a physician or physician group based on their performance on an agreed upon set of standard measures.

Relative percentile ranking – The performance of all physician groups is ranked, with only the top certain percent being eligible for incentive payment.

Uniform measurement set – The set of clinical, patient experience and IT measures that are agreed upon by the Technical and Steering Committees and released to the stakeholders as the official measurements to be used for P4P for a specified year.