



TRANSPARENCY REPORT ON 2008 HEALTH PLAN PAYOUTS

PAY FOR PERFORMANCE For California Commercial HMO and POS For 2007 Measurement Year (2008 payout)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Total payment for IHA measures for commercial HMO and POS	\$1.90 M \$0.51 PMPM avg	\$24.1 M \$1.50 PMPM avg	\$13.4 M \$1.05 PMPM avg**	\$2.76 M \$0.89 PMPM avg	\$3.48 M \$0.25 PMPM avg	\$5.26 M \$0.43 PMPM avg	\$621,502 \$0.64 PMPM avg
Total payment for non-IHA performance measures for commercial HMO and POS	\$3.94 M \$1.05 PMPM avg See Other Performance Measures section	\$51.7 M \$3.22 PMPM avg See Other Performance Measures section	\$16.0 M \$1.22 PMPM avg See Other Performance Measures section	\$1.2 M \$0.43 PMPM avg See Other Performance Measures section	\$16.6 M \$1.20 PMPM avg See Other Performance Measures section	\$12.79 M \$1.05 PMPM avg See Other Performance Measures section	\$39,214 \$0.04 PMPM avg See Other Performance Measures section
Total performance payments for commercial HMO and POS	\$5.84 M total for all measures \$1.56 PMPM avg Annual payout	\$75.8 M total for all measures \$4.72 PMPM avg Annual payout	\$29.4 M total for all measures \$2.27 PMPM avg Annual payout	\$3.96 M total for all measures \$1.32 PMPM avg Annual payout	\$20.1 M total for all measures \$1.21 PMPM avg Annual payout	\$18.05 M total for all measures \$1.48 PMPM avg Annual payout	\$660,716 total for all measures \$0.68 PMPM avg Annual payout
Payments for IHA measures as percent of total	33%	32%	46%	70%	17%	29%	94%

**NOTE: Blue Shield of California: Prior years' PMPM based on those POs who received payment; MY07 methodology changed to include all POs who were eligible for payment.

PAYMENT METHODOLOGY
For California Commercial HMO and POS
For 2007 Measurement Year (2008 payout)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Criteria for physician group to be eligible for incentive payment	<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 time of payout</p> <p>Be in full compliance with Aetna contract</p>	Signed contract; all criteria clearly outlined in the contract	<p>Encounter threshold of 2.7 E&M visits PMPY, excluding E&M visits with an acute inpatient facility place of service</p> <p>Valid 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>Valid contract with Cigna for entire measurement year and at time of payout</p> <p>Per P4P manual for each measure</p>	<p>Open to all physician groups in HMO and POS network</p> <p>Valid contract in measurement year and at time of payout</p> <p>E&M threshold of 3.0 for full payout; no payout if <2.7</p> <p>Encounter Submission Rate Multiplier: 50% for 2.70-2.84 PMPY E&M encounters; 75% for 2.85-2.99 PMPY; 100% for 3.0 PMPY or higher</p>	<p>Minimum commercial membership of 1,000 in the month prior to the payout date</p> <p>Signed QIP participation contract the year prior to the payout date</p> <p>Meet IHA 3.5 PMPY encounter threshold</p> <p>Meet the performance threshold</p>	Meet IHA 3.5 PMPY encounter threshold
Used absolute threshold for determining payment	No	No	No	No	No	No	No

PAYMENT METHODOLOGY (CONTINUED)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Used relative percentile ranking for determining payment	<p>Clinical, Patient Experience and Systemness: For each weighted measure, only groups performing in top IHA quartile were eligible for payment. The total budgeted amount was divided among the measures based on Aetna weightings. For each measure, the full allocation was paid out to groups in the top quartile.</p> <p>Payment calculated proportional to membership.</p>	<p>Scores for each measure were added together. The total points were then used to rank groups on a percentile table, and payments were made based on this. Groups in the 20th to 100th percentiles received payment based on a sliding scale.</p> <p>Maximum payment potential of \$4.72 PMPM for all measures in the quality/best practices scorecard; IHA measures are 48% of the possible points.</p>	<p>Clinical and Patient Experience: 80% is allocated for attainment, 20% is allocated for improvement. Groups in the 30th to 100th percentiles received an attainment payment based on a sliding scale. Groups that achieved a positive improvement received an improvement payment, based on their performance quintile. 20% awarded for the bottom quintile; 40% awarded for the 4th quintile; 60% awarded for the 3rd quintile; 80% awarded for the 2nd quintile; full credit for improvement for the top quintile.</p> <p>Systemness: paid 100% of max if received 20 pts; 75% of payout if received 15-19 pts; 50% of payout if received 10-14 pts; 25% of payout if received 5-9 pts.</p> <p>Maximum PMPM of \$2.00 (\$1.00 max for clinical, \$0.60 max for patient experience, and \$0.40 max for Systemness).</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 50th percentile. The PMPM amount increased for each higher ranking group.</p> <p>Systemness: paid 100% of max if received 20 pts or above; 75% of payout if received 15-19 pts; 50% of payout if received 10-14 pts; 0% of payout if received less than 10 pts.</p> <p>Payment calculated proportionally by membership.</p>	<p>Clinical and Patient Experience: Achievement of a specific percentile rank (from 50-100%) will yield a scaled point value. Groups demonstrating Relative Improvement earned points based on their quartile placement for each eligible measure 25% of the points for the bottom quartile; 50% of the points for the 2nd quartile; 75% of the points for the 3rd quartile; 100% of the points for the top quartile.</p> <p>Systemness: paid 100% of max if received 20 pts; 75% of payout if received 15-19 pts; 50% of payout if received 10-14 pts; 25% of payout if received 5-9 pts.</p>	<p>Clinical and Patient Experience: For each measure, 100% awarded for 85th percentile or higher; 50% awarded for 75th to 84th percentile.</p> <p>Systemness: 100% awarded if group scores 20 pts; otherwise 0% awarded.</p> <p>Maximum payment potential of \$2.37 PMPM for all QIP measures; IHA measures are 90.8% of the points.</p>	<p>Clinical: 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>Patient Experience: For each measure, 100% awarded for 75th percentile or higher; 50% awarded for 50th to 74th percentile. No bonus for below 50th percentile.</p> <p>Systemness: paid 100% of max if received 20 pts; 75% of payout if received 15-19 pts; 50% of payout if received 10-14 pts; 25% of payout if received 5-9 pts.</p> <p>Maximum PMPM of \$0.90.</p>

PAYMENT METHODOLOGY (CONTINUED)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Domain Weighting	<u>Clinical Domain:</u> 50% Performance: 80% Improvement: 20%	<u>Clinical Domain:</u> 50% Performance: 100% Improvement: 0%	<u>Clinical Domain:</u> 50% Performance: 80% Improvement: 20%	<u>Clinical Domain:</u> 50% Performance: 80% Improvement: 20%	<u>Clinical Domain:</u> 50% Performance: 50% Improvement: 50%	<u>Clinical Domain:</u> 64% Performance: 100% Improvement: 0%	<u>Clinical Domain:</u> 44% Performance: 97.4% Improvement: 2.6%
	<u>Patient Experience Domain:</u> 40% Performance: 75% Improvement: 25%	<u>Patient Experience Domain:</u> 42% Performance: 100% Improvement: 0%	<u>Patient Experience Domain:</u> 30% Performance: 80% Improvement: 20%	<u>Patient Experience Domain:</u> 30% Performance: 80% Improvement: 20%	<u>Patient Experience Domain:</u> 30% Performance: 50% Improvement: 50%	<u>Patient Experience Domain:</u> 29% Performance: 100% Improvement: 0%	<u>Patient Experience Domain:</u> 33% Performance: 100% Improvement: 0%
	<u>IT-Enabled Systemness Domain:</u> 10%	<u>IT-Enabled Systemness Domain:</u> 8%	<u>IT-Enabled Systemness Domain:</u> 20%	<u>IT-Enabled Systemness Domain:</u> 20%	<u>IT-Enabled Systemness Domain:</u> 20%	<u>IT-Enabled Systemness Domain:</u> 7%	<u>IT-Enabled Systemness Domain:</u> 22%
	Percentage of total payout for improvement: 20%	Percentage of total payout for improvement: 0%	Percentage of total payout for improvement: 16%	Percentage of total payout for improvement: 16%	Percentage of total payout for improvement: 40%	Percentage of total payout for improvement: 0%	Percentage of total payout for improvement: 1.14%

ADOPTION OF UNIFORM INTEGRATED HEALTHCARE ASSOCIATION (IHA) MEASUREMENT SET
For California Commercial HMO and POS
For 2007 Measurement Year (2008 payout)

Clinical Measures

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Childhood Immunizations (VZV and MMR)	No	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Cervical Cancer Screening	Yes – 7.0% and 3.0% for Relative Improvement	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Breast Cancer Screening	Yes – 7.0% and 3.0% for Relative Improvement	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Asthma Management	No	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
HbA1c Screening	No	Yes – 4.167%	Yes – 2.5%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
LDL Screening	No	Yes – 4.167%	Yes – 2.5%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Chlamydia Screening	Yes – 6.0% and 4.0% for Relative Improvement	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
HbA1c Poor Control	Yes – 5.0%	Yes – 4.167%	Yes – 2.5%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
LDL <130 LDL <100	Yes – 5.0% together	Yes – 2.083% each	Yes – 2.5% together	Yes – 4.167% together	Yes – 2.083% each	Yes – 5.8% together	Yes – 1.83% each
Upper Respiratory Infection	No	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Nephropathy Monitoring	Yes – 5.0%	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	Yes – 5.8%	Yes – 3.67%
Colorectal Cancer Screening	Yes – 5.0%	Yes – 4.167%	Yes – 5.0%	Yes – 4.167%	Yes – 4.167%	No	Yes – 3.67%
Other clinical measures	None	None	None	None	None	Yes, see Other Performance Measures section	None
Total # Clinical Measures	7	12	12	12	12	12 total, 11 of which overlap with IHA	12

ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

Patient Experience Measures

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Appointment with Specialist	Yes – 6% and 2% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3%	Yes – 2.9%	Yes – 3.3%
Rating of Specialist	Yes – 3% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3%	Yes – 2.9%	Yes – 3.3%
Timely access to care	Yes – 6% and 2% for Relative Improvement	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6%	Yes – 5.8%	Yes – 6.6%
Doctor - patient communication	Yes – 3% and 2% for Relative Improvement	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6%	Yes – 5.8%	Yes – 6.6%
Rating of PCP	Yes – 3% and 1% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3%	Yes – 2.9%	Yes – 3.3%
Rating of all health care	Yes – 6% and 2% for Relative Improvement	Yes – 4.2%	Yes – 3%	Yes – 3%	Yes – 3%	Yes – 2.9%	Yes – 3.3%
Care Coordination	Yes – 3%	Yes – 8.4%	Yes – 6%	Yes – 6%	Yes – 6%	Yes – 5.8%	Yes – 6.6%
Other patient experience measures	None	None	None	None	None	Yes, see Other Performance Measures section	None
Total # of patient experience measures	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

ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

IT-Enabled Systemness Measures

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Data Integration for Population Management	No	No	Yes	Yes	Yes	Yes	Yes
Electronic Clinical Decision Support at the Point of Care	No	No	Yes	Yes	Yes	Yes	Yes
Care Management	Yes – 5.0%	No	Yes	Yes	Yes	Yes	Yes
Access and Communication	Yes – 5.0%	No	Yes	Yes	Yes	Yes	Yes
Physician Measurement and Reporting	No	Yes	Yes	Yes	Yes	Yes	Yes
Other IT measures	None	None	None	None	None	None	None
Total # IT-Enabled Systemness Measures	2	1	5	5	5	5	5

ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

Other Performance Measures

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
	<p>Shared risk – Engaged physician groups in managing hospital care and outpatient facilities to further mutual aim of affordable, accessible health care. Physician groups shared in benefits and savings produced</p> <p>Scholarships toward participation in CCHRI CQC Improvement efforts, or similar performance improvement collaboratives approved by Aetna, awarded to PO with highest relative improvement achievement in No CA and So CA</p> <p>\$3.94 M paid in 2008</p>	<p>Blue Cross' Quality/ Best Practices Score-card includes IHA and non-IHA measures. For MY 2007, the non-IHA performance incentive measures accounted for 130 of 250 points, and were as follows:</p> <p>1) Medical Group Site Visit Audit – 10 points 2) Corrected Administrative Appeals per 1000 Member Months – 40 points 3) Encounter data – 20 points 4) Clinical efficiency – 60 points</p> <p>Other incentive programs include: 1) Generic Prescribing Incentive Program 2) Shared Savings Program based on: - medical surgical bed days - outpatient surgeries - ER</p>	<p>All physician groups participated in the IHA Pay for Performance Program. In addition, some groups participated in programs for managing hospital and out-of-network care:</p> <p>1) Shared Savings Program 2) Performance Improvement Rewards Program, which measures: - Emergency Department Utilization - Outpatient Utilization at Ambulatory Surgery Centers - Inpatient Bed Days Utilization, and - Generic Drug Prescribing</p> <p>\$16.0 M paid in 2008</p>	<p>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</p> <p>\$1.2 M paid in 2008</p>	<p>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</p> <p>Participating in CQC Efficiency Collaborative</p> <p>\$16.6 M paid in 2008 related to Shared Risk.</p>	<p>PacifiCare's QIP payout includes IHA and non-IHA measures. The non-IHA QIP measures include:</p> <p>1) Anti-depressant Medication Mgmt 2) Primary Care Access Complaints 3) Overturned Appeals 4) Potentially Avoidable Hospitalizations 5) Inpatient Readmission 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</p> <p>\$0.34 M paid for non-IHA QIP measures</p>	<p>Four "administrative quality data" metrics, equally weighted</p> <p>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 prescriptions that are Generic</p> <p>\$39,214 paid in 2008</p> <p>Attaining NCQA's Diabetes Physician Recognition Award earns up to 10% credit toward any deficit in other measures</p>

ADOPTION OF UNIFORM IHA MEASUREMENT SET (CONTINUED)

Other Performance Measures (continued)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
		\$51.7 M paid in 2008 on the above measures				Non-QIP Incentive Programs: 1) Hospital – \$5.38 M 2) Pharmacy – \$1.81M 3) Cap Guarantee – \$0.07 M 4) Generic Pharmacy – \$4.99 M 5) Bed Incentives – \$0.20 M \$12.45 M total paid in 2008 for non-QIP incentive programs	

USE OF AGGREGATED DATA SET
For California Commercial HMO and POS
For 2007 Measurement Year (2008 payout)

	Aetna	Anthem Blue Cross	Blue Shield of California	CIGNA HealthCare of California	Health Net	United HealthCare /PacifiCare	Western Health Advantage
Used aggregated dataset exclusively 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	Yes, for IHA measures
Used aggregated dataset and own plan data							
Did not use aggregated dataset; only used own plan data	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.