



Integrated Healthcare Association (IHA) Pay for Performance (P4P) Program

Fact Sheet

Overview of IHA Pay for Performance (P4P) Program

The IHA P4P program is the largest non-governmental physician incentive program in the United States to provide physician groups with financial rewards based upon performance against quality and efficiency benchmarks. The goal of the program is to create a compelling set of incentives that will drive breakthrough improvements in clinical quality, efficiency, and the patient experience through: (1) a common set of measures; (2) a public report card; and (3) health plan incentive payments. The adoption of a common set of performance measures used by all health plans as the basis for reward and recognition allows the P4P stakeholders to use collective market forces to drive excellence in patient care. The aggregation of data across all participating health plans significantly improves the validity and reliability of measurement.

The physician groups benefit by being rated by one common rating system, rather than by competing and conflicting systems used by their various health plan partners. Having a standardized measure set also benefits consumers, since California consumers are able to get comparable information on the clinical performance of over 200 physician groups on the website of the state's Office of the Patient Advocate (www.opa.ca.gov).

P4P Participants

Over 200 physician groups – representing approximately 35,000 physicians who provide care for about 10 million HMO/POS members – participate in P4P. Seven California health plans contribute data and provide incentive payments based on the aggregated P4P results. The seven health plans are: Aetna, Anthem Blue Cross, Blue Shield of California, CIGNA Healthcare of California, Health Net, UnitedHealthcare/PacifiCare, and Western Health Advantage. Kaiser Permanente physician groups serving both Northern and Southern California participate in public reporting only.

P4P Common Measure Set

The IHA P4P common measure set is designed to include measures that are evidence-based and relevant to California consumers. The measure set is dynamic, with new measures added each year and an increasing focus on outcome measures. For Measurement Year 2011, there are four measurement domains.

- ***Clinical Quality:***
Includes process and outcome measures, using standardized national measures wherever possible. Measurement focuses on six priority areas: prevention, cardiovascular, diabetes, maternity, musculoskeletal, and respiratory conditions.
- ***Patient Experience:***
Patient ratings of care received from their doctor and other providers in the physician group (e.g., communication with their doctor, timely access to care, coordination of care, and overall ratings of care). The ratings are based on California's Patient Assessment Survey, which is derived from the national CAHPS Clinician & Group survey tool.

- ***Meaningful Use of Health IT (formerly IT-Enabled Systemness):***
Recognizing the essential contribution of IT to making care systematic, the goal of the domain is to measure and reward physician groups that provide support and infrastructure to their physicians for coordinated processes of care that benefit all patients. In the spirit of alignment, P4P adopted the CMS and ONC Measures of Meaningful Use requirements, effective MY 2011.
- ***Appropriate Resource Use:***
Responding to soaring healthcare costs and double-digit health insurance premium increases, IHA added resource use measures (inpatient readmissions, inpatient utilization, outpatient procedures utilization, emergency department visits, and generic prescribing) to its P4P program in Measurement Year 2009. Starting in 2011, a measure of Total Cost of Care will be added to the P4P measure set. Measures are risk-adjusted and a physician group's results are compared against statewide or regional benchmarks, as well as against its own performance over time.

P4P Results

P4P program results for Measurement Year 2010, the eighth year of the P4P program, showed continued steady improvement in most clinical measures, with diabetes measures showing the largest gains. Patient Experience scores showed a slight upward movement across all measures, and adoption of health IT continued to increase.

Each year, physician groups whose overall performance score surpasses a comprehensive performance threshold based on the top 25 percent score for each P4P measure are designate as “top performers.” The overall performance score is comprised of a weighted average of the domain scores, with weightings based on the recommended P4P payment weightings. For Measurement Year 2011, the weightings are: Clinical - 50%, Meaningful Use of Health IT - 30%, and Patient Experience - 20%.

Financial Rewards

The 2010 Measurement Year results are used by health plans to calculate the 2011 bonuses distributed during the third and fourth quarters of 2011. Each plan determines its own budget and methodology for calculating bonus payments to the physician groups. Total quality incentive payouts from health plans to California physician groups started at \$38M in 2004, peaked at \$65 M in 2007, and have leveled off at about \$50M for the last several years.

Transformation of P4P

Starting in 2013, the program will transition to Value Based P4P, a quality-adjusted shared savings program based on performance on Total Cost of Care. This will give a more comprehensive assessment of physician group performance and allow an appraisal of the value of healthcare spending.

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For more information, please see the following [White Papers](#) and [Issue Briefs](#) on the IHA website:

- *Advancing Quality through Collaboration: the California Pay for Performance Program*
- *The California Pay for Performance Program: the Second Chapter*
- *Issue Brief: Measuring Total Cost of Care*
- *Issue Brief: Value Based Pay for Performance in California*