Value Based Pay for Performance
Results & Highlights Measurement Year 2016

September 2017
IHA’s Value Based Pay for Performance (VBP4P)

- ~200 Medical Groups & IPAs
- 9 Health Plans

**PARTICIPATING IN**

**Common Measurement**
- Common quality, patient experience, & cost measures

**Public Report Card**
- One of the nation’s first & largest

**Public Recognition**
- <20% of medical groups achieve “Triple Aim”

**Value-Based Incentives**
- Over $550m paid to date

**IMPACTING**

9.5 Million Californians
MY 2016 Results Highlights
### Common Measure Set

<table>
<thead>
<tr>
<th>Clinical Quality</th>
<th>Patient Experience</th>
<th>Advancing Care Information</th>
<th>Appropriate Resource Use</th>
<th>Total Cost of Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process and outcomes measures focused on six priority clinical areas:</td>
<td>Patient ratings of five components, including care overall:</td>
<td>Ability to report selected e-measures (2)</td>
<td>Utilization metrics spanning:</td>
<td>Average health plan and member payments associated with care for a member for the year, adjusted for risk and geography</td>
</tr>
<tr>
<td>- Cardiovascular (5)</td>
<td>• Provider Communication</td>
<td>• Inpatient Stays</td>
<td>• Inpatient Stays</td>
<td></td>
</tr>
<tr>
<td>- Diabetes (8)</td>
<td>• Care Coordination</td>
<td>• Readmissions</td>
<td>• Readmissions</td>
<td></td>
</tr>
<tr>
<td>- Musculoskeletal (1)</td>
<td>• Office Staff</td>
<td>• ED Visits</td>
<td>• ED Visits</td>
<td></td>
</tr>
<tr>
<td>- Prevention (7)</td>
<td>• Overall Ratings of Care</td>
<td>• Outpatient Procedures</td>
<td>• Outpatient Procedures</td>
<td></td>
</tr>
<tr>
<td>- Respiratory (3)</td>
<td>• Access to Care</td>
<td>• Generic Prescribing</td>
<td>• Generic Prescribing</td>
<td></td>
</tr>
</tbody>
</table>
Total Cost of Care (TCC) Results

• Additional detail provided by plans surfaced an issue in the 2016 TCC results
• Affects comparisons across organizations only, not trending across time
• How does it affect the VBP4P program?
  – Preliminary TCC trend results released for payment purposes; available for physician organization review through Sept. 28
  – Public reporting and recognition using TCC suspended until solution developed, vetted, and implemented:
    • No Excellence in Healthcare Award recognition today
    • TCC not included in upcoming OPA Report Card release

For more information, handouts are available at the information desk.
Clinical Quality Measures Improved or Steady

**11 Improved**

-- greater than 2% --
- Childhood Immunization Status: Combo 10
- Proportion of Days Covered: Statins
- HPV Vaccine for Female Adolescents
- Immunizations for Adolescents: Tdap*
- HPV Vaccine for Male Adolescents
- Prop. of Days Covered: Oral Diabetes Medications

-- greater than 1% --
- Prop. of Days Covered: RAS Antagonists
- Asthma Medication Ratio
- Controlling Blood Pressure for People w/Hypertension*
- Cervical Cancer Overscreening
- Diabetes: HbA1c > 9.0%

**11 Stable**

-- increased less than 1% --
- Appropriate Testing for Children w/Pharyngitis
- Annual Monitoring for Patients on Persistent Medications
- Diabetes Care: Blood Pressure Control <140/90 mm Hg
- Chlamydia Screening
- Diabetes Care: 2 HbA1c Tests
- Optimal Diabetes Care Combo
- Diabetes Care: Medical Attention for Nephropathy
- Avoidance of Antibiotic Treatment for Adults w/Acute Bronchitis*
- Diabetes Care: HbA1c <8.0%

-- decreased less than 1% --
- Breast Cancer Screening
- Colorectal Cancer Screening*

**2 Declined**

-- greater than 1% --
- Cervical Cancer Screening
- Use of Imaging Studies for Low Back Pain*

---Measures flagged by NCQA HEDIS Core Trending Team. Measure specification changes may affect trending.
## Purchaser Perspective on Clinical Priorities

<table>
<thead>
<tr>
<th>CPR Clinical Priority Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pregnancy</td>
</tr>
<tr>
<td>2. Hypertension</td>
</tr>
<tr>
<td>3. Low Back Pain</td>
</tr>
<tr>
<td>4. Diabetes</td>
</tr>
<tr>
<td>5. Depression</td>
</tr>
<tr>
<td>6. Osteoarthritis</td>
</tr>
<tr>
<td>7. Breast Cancer</td>
</tr>
<tr>
<td>8. Asthma</td>
</tr>
<tr>
<td>9. Coronary Artery Disease</td>
</tr>
<tr>
<td>10. Gastrointestinal Endoscopy</td>
</tr>
<tr>
<td>11. Upper Respiratory Infection</td>
</tr>
</tbody>
</table>

Purchaser Perspective on Clinical Priorities

**CPR Clinical Priority Area**

1. Pregnancy
2. Hypertension
3. Low Back Pain
4. Diabetes
5. Depression
6. Osteoarthritis
7. Breast Cancer
8. Asthma
9. Coronary Artery Disease
10. Gastrointestinal Endoscopy
11. Upper Respiratory Infection

**MOST TO LEAST SPEND**

- Controlling Blood Pressure for People with Hypertension
- Use of Imaging Studies for Low Back Pain
- Optimal Diabetes Care Combination
- Blood Pressure Control <140/90 mm Hg
- HbA1c Control < 8.0%
- Two HbA1c Tests
- HbA1c Poor Control > 9.0%
- Medical Attention for Nephropathy
- Proportion of Days Covered by Medications: Oral Diabetes
- Statin Therapy for Patients With Diabetes
- Breast Cancer Screening
- Asthma Medication Ratio
- Statin Therapy for Patients with Cardiovascular Disease
- Annual Monitoring for Patients on Persistent Medications: ACEI/ARB, Digoxin, and Diuretics
- Proportion of Days Covered by Medications: RAS Antagonists, Statins
- Colorectal Cancer Screening
- Appropriate Treatment for Children with Upper Respiratory Infection
- Appropriate Testing for Children With Pharyngitis
- Avoidance of Antibiotic Treatment of Adults with Acute Bronchitis

Year-Over-Year Change

MY 2015 to 2016

<table>
<thead>
<tr>
<th>Measure</th>
<th>MY 2015 (% Change)</th>
<th>MY 2016 (% Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimal Diabetes Care</td>
<td>+0.4%</td>
<td></td>
</tr>
<tr>
<td>BP Control &lt;140/90 mmHg</td>
<td></td>
<td>+0.6%</td>
</tr>
<tr>
<td>HbA1c Control &lt;8.0%</td>
<td></td>
<td>+0.1%</td>
</tr>
<tr>
<td>Two HbA1c Tests</td>
<td></td>
<td>+0.5%</td>
</tr>
<tr>
<td>HbA1C Control &lt;9.0%</td>
<td></td>
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<tr>
<td>Medical Attention for Nephropathy</td>
<td></td>
<td>+0.2%</td>
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<tr>
<td>Proportion of Days Covered: Oral Diab Meds</td>
<td></td>
<td>+2.3%</td>
</tr>
<tr>
<td>Breast Cancer Screening</td>
<td></td>
<td>-0.2%</td>
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<tr>
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<td>+1.9%</td>
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<td>Proportion of Days Covered by RAS Antagonists</td>
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<tr>
<td>Proportion of Days Covered by Statin</td>
<td></td>
<td>+2.6%</td>
</tr>
<tr>
<td>Appropriate Testing for Children with Pharyngitis</td>
<td></td>
<td>+1.0%</td>
</tr>
</tbody>
</table>

Most to Least Spend:
- Diabetes
- Breast Cancer
- Asthma
- Coronary Artery Disease
- URI

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Year-Over-Year Change

**MY 2015 to 2016**

<table>
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<th>MY 2015</th>
<th>MY 2016</th>
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**MOS T O LEAST SPEND**
Incremental Gains in Clinical Quality Over Time Add Up ...

### Diabetes Care:
- Blood Pressure Control <140/90 mm Hg
- HbA1c Control < 8.0%
- HbA1c Poor Control > 9.0%
- Medical Attention for Nephropathy
- Annual Monitoring for Patients on Persistent Medications: Overall
- Proportion of Days Covered by Medications: RAS Antagonists
- Proportion of Days Covered by Medications: Statins
- Appropriate Testing for Children With Pharyngitis

### Coronary Artery Disease

### URI

**Physician Organization Average (%)**

- MY2012
- MY 2016

**MOST TO LEAST SPEND**
... And Drive Better Patient Care

**Diabetes**

- **43,877 more** diabetics had their blood pressure adequately controlled (<140/90 mmHg)
- **9,848 more** diabetics had their blood sugar controlled
- **31,065 fewer** diabetics with uncontrolled blood sugar
- **40,650 more** diabetics received medical attention for nephropathy

**Diabetes Care:**
- Blood Pressure Control <140/90 mm Hg
- HbA1c Control < 8.0%
- HbA1c Poor Control > 9.0%
- Medical Attention for Nephropathy
VBP4P Measure Study:
_Diabetes Care: HbA1c Control >9.0%

- Diabetic patients with high levels of blood sugar can lead to end-stage renal disease (ESRD).
- Annual spending per ESRD patient runs between **$30,000 - $85,000** for treatment.¹

In 2013, Medicare spent $84,550 per patient per year, for hemodialysis; $69,919 per patient per year for peritoneal dialysis, $29,920 per patient per year for kidney transplant total. https://www.usrds.org/2015/view/v2_11.aspx

³ More diabetic patients had their blood sugar controlled.

¹ In 2013, Medicare spent $84,550 per patient per year, for hemodialysis; $69,919 per patient per year for peritoneal dialysis, $29,920 per patient per year for kidney transplant total. https://www.usrds.org/2015/view/v2_11.aspx
Patient Ratings of Care Steady

**Patient Experience Composites**

Rates based on Clinical and Group CAHPS survey instrument administered by the California Healthcare Performance Information System, includes case mix adjustment.
Opportunity to Impact Patient Perception of Value

Overall rating of care for highest performing physician organizations reaches 80%.

Rates based on Clinical and Group CAHPS survey instrument administered by the California Healthcare Performance Information System, includes case mix adjustment.
Hospital Utilization Trends Mixed

- Across-the-board improvements in hospital utilization
- Uptick in ED use
- More outpatient procedures delivered in freestanding ambulatory surgery centers
MY 2016 Results Implications
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
- Public Recognition Awards
- Public Report Card
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
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VBP4P Gains Outpace National HMO Benchmarks

Value Based P4P improves more on HEDIS measures than national HMO/POS performance. Below are examples of the measures with the greatest average year-over-year improvement.

- Controlling Blood Pressure for People with Hypertension
- Appropriate Testing for Children with Pharyngitis
- Diabetes Care: Blood Pressure Control <140/90 mm Hg
- Chlamydia Screening in Women
- Diabetes Care: Medical Attention for Nephropathy
# VBP4P Measure Alignment (MY 2018)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>All Cause Readmissions</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Appropriate Testing for Children with Pharyngitis</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Asthma Medication Ratio</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Avoidance of Antibiotic Treatment in Adults with Acute Bronchitis</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Breast Cancer Screening</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Cervical Cancer Screening</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Cervical Cancer Overscreening</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Childhood Immunization Status Combination 10</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Chlamydia Screening in Women</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Colorectal Cancer Screening</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Concurrent Use of Opioids and Benzodiazepines</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Controlling High Blood Pressure</td>
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<tr>
<td>Diabetes Care: Blood Pressure Control</td>
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<td>X</td>
</tr>
<tr>
<td>Diabetes Care: Hba1c Control &lt;8%</td>
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<tr>
<td>Diabetes Care: Hba1c Poor Control &gt;9%</td>
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</tr>
<tr>
<td>Diabetes Care: Nephropathy</td>
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<td>X</td>
</tr>
<tr>
<td>Diabetes Care: Eye Exam</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Proportion of Days Covered</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Immunizations for Adolescents</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Statin Therapy for Patients with Cardiovascular Disease</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Statin Therapy for Patients with Diabetes</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Use of Imaging Studies for Low Back Pain</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Use of Opioids at High Dosage</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
Why Measure Opioid Use?

**NATIONAL EPIDEMIC**

**400% Increase** in opioid-related deaths in last two decades

12 Californians die from drug overdose every day and **two-thirds** of these deaths involve opioids

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**ACCOUNTABILITY**

Measuring opioid usage at **high dosage** or in **combination with benzodiazepines** in the commercial VBP4P population enables providers and health plans to hold each other accountable.

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**HIGH COST**

Estimated annual cost of opioid overuse in North America

$78.5B

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**SMART CARE CALIFORNIA**

produces resources for patients, payers, providers, health plans, and purchasers to support reduction of opioid use.

VBP4P measurement complements Smart Care CA’s efforts.

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1. [https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm](https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm)
3. Use of opioids at high dose or use of opioids and benzodiazepines increase the risk of opioid overdose deaths.
Opioid Measure Testing in VBP4P

• VBP4P data suggest approximately 2.4% commercial HMO members with pharmacy coverage filled an opioid prescription

• Two potential opioid measures slated for 2017 testing

<table>
<thead>
<tr>
<th>Measure &amp; Steward</th>
<th>Measure Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Opioids at High Dosage (NCQA)</td>
<td>For members 18 years and older, the rate per 1,000 receiving prescription opioids for ≥15 days during the measurement year who are prescribed opioids at high dosage MED &gt;120 mg</td>
</tr>
<tr>
<td>Concurrent Use of Opioids and Benzodiazepines (PQA)</td>
<td>Percentage of individuals 18 years and older with concurrent use of prescription opioids and benzodiazepines</td>
</tr>
</tbody>
</table>
Measure Set Evolution

**MY 2017 Testing Measures**
- Use of Opioids at High Dose
- Concurrent Use of Opioids and Benzodiazepines
- *Potential replacement for Generic Prescribing*
- Comprehensive Diabetes Care: Eye Exam

**MY 2018 Measure Removals**
- Comprehensive Diabetes Care: Two HbA1c Tests
- Annual Monitoring of Patients on Persistent Medications
Generic Prescribing Ready for Retirement

- Generic Prescribing topping out – overall rate above 85% and 6 of 7 therapeutic areas over 90%
- Developing a replacement is a priority for driving improvement and optimizing incentive opportunity
We Want Your Input!

Public Comment Is Open! September 1 – 29

VBP4P public comment period marks the release of several important program documents for stakeholder review and comment, including:

• MY 2017 Draft Program Manual & testing measures
• MY 2018 Proposed Measure Set

VBP4P staff review every comment and take this feedback to the VBP4P Committees governing the program.

To participate, visit: http://www.iha.org/
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
- Public Recognition Awards
- Public Report Card
Adoption of Value-Based Design Increases

- 8 health plans pay incentives
- For 2016, nearly all health plans have transitioned to a value-based design
- 3 plans adding attainment incentive
Resource Use Measures

64.3% physician organization contracts had estimated net improvement across all five resource use measures.

- **Overall: Net Resource Use**
  - Resource Use Increase: -35.7%
  - Resource Use Saved: 64.3%

- **All-Cause Readmissions**
  - Resource Use Increase: -51.4%
  - Resource Use Saved: 48.6%

- **Inpatient Bed Days**
  - Resource Use Increase: -44.8%
  - Resource Use Saved: 55.2%

- **Outpatient Procedure Utilization**
  - Resource Use Increase: -43.2%
  - Resource Use Saved: 56.8%

- **ED Visits**
  - Resource Use Increase: -39.7%
  - Resource Use Saved: 60.3%

- **Generic Prescribing Rate: Overall**
  - Resource Use Increase: -6.1%
  - Resource Use Saved: 93.9%
Value Based P4P Core Program Elements

- Common Set of Measures
- Health Plan Incentive Payments
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- Public Report Card
Recognition for 2016 Performance

• The **Excellence in Healthcare Award** recognizes physician organizations that achieve strong quality and patient experience results while effectively managing costs.

• The **Ronald P. Bangasser Award for Quality Improvement** is awarded to the physician organization in each of the eight P4P regions with the greatest combined improvement for clinical quality and patient experience performance.

• **NEW** – Physician organizations in the **Top 10 Percent** for clinical quality or patient experience or – once available – Total Cost of Care receive recognition.
Bangasser Award Winners Accelerate Quality Improvement

Improving nearly three times VBP4P average – 10.9% compared with 3.8%

PO Average Relative Improvement: 3.8%
Recognition for 2016 Performance

- The **Excellence in Healthcare Award** recognizes physician organizations that achieve strong quality and patient experience results while effectively managing costs.

- The **Ronald P. Bangasser Award for Quality Improvement** is awarded to the physician organization in each of the eight P4P regions with the greatest combined improvement for clinical quality and patient experience performance.

- **NEW** – Physician organizations in the **Top 10 Percent** for clinical quality or patient experience or once available – Total Cost of Care receive recognition.
If all POs performed at the 90th percentile

54,407 More Diabetic Patients with Blood Sugar Controlled

VBP4P PO Average 55.7%

Top 10% POs Average 67.9%

12.2 percentage point difference
If all POs performed at the 90\textsuperscript{th} percentile

609,933 More Patients Rate Overall Care a “9” or “10”

VBP4P PO Average 70.3%

Top 10% POs Average 76.9%

6.6 percentage point difference
Value Based P4P Core Program Elements

- Common Set of Measures
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Looking Ahead
VBP4P Program Evolution: From Quality to Value

- **2003**: P4P first year measurement – quality only
- **2009**: Total Cost of Care measure added
- **2011**: Appropriate resource use measures added
- **2013**: Value Based P4P – quality and resource use integrated into a single incentive program
- **2014**: First payments for Value Based P4P
- **2016**: Total Cost of Care publicly reported
- **???**:
## 9 Strategic Priorities – Based on Your Input

<table>
<thead>
<tr>
<th>Measure Set</th>
<th>Data Information &amp; Provision</th>
<th>Incentives</th>
<th>Public Reporting &amp; Awards</th>
<th>Branding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Advance measure set consistent with identified strategy</td>
<td>3. Develop Total Cost of Care service categories</td>
<td>5. Support uniform / consistent adoption of shared savings design, including attainment incentive</td>
<td>7. Consider “breakthrough” options for public reporting</td>
<td>9. Rebrand Value Based P4P program</td>
</tr>
<tr>
<td>2. Expand VBP4P success to ACO &amp; Medi-Cal</td>
<td>4. Advance IHA data &amp; analytics infrastructure; simplify data sharing for performance measurement</td>
<td>6. Revisit standard full risk design to simplify &amp; promote implementation</td>
<td>8. Reexamine VBP4P awards structure</td>
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<tr>
<td><strong>Objectives</strong></td>
<td><strong>More efficient collection and informative data</strong></td>
<td><strong>Meaningful incentive opportunities</strong></td>
<td><strong>Engage new audiences &amp; reflect relative performance of integrated care</strong></td>
<td><strong>Reflect program’s breadth and innovation</strong></td>
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