VBP4P PO Worksheet Overview & Demo

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Objectives & Agenda

• **Objective:** Access, understand, and use the PO worksheets

• **Agenda:**
  • VBP4P common measure set
  • VBP4P Incentive Design Overview & MY 2015 Modeling
  • Attainment Pathway
  • PO Worksheet Overview
  • Resources
VBP4P Update: Where We Are Today

Upcoming
• Timeline impacted by the delay in the release of final Resource Use results; expect health plan VBP4P payments over the next quarter
• 2016-2017 OPA Report Card for commercial HMO medical groups will be released next week
Health Plan Adoption of VBP4P

All participating health plans pay physician organization incentives using the IHA measure results. Nearly all have committed to adopting the Value Based P4P shared savings design.

<table>
<thead>
<tr>
<th>Health Plan</th>
<th>VBP4P Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Shield of CA</td>
<td>MY 2013</td>
</tr>
<tr>
<td>Cigna</td>
<td>MY 2014</td>
</tr>
<tr>
<td>UnitedHealthcare</td>
<td>MY 2014</td>
</tr>
<tr>
<td>Aetna</td>
<td>MY 2016*</td>
</tr>
<tr>
<td>Anthem Blue Cross</td>
<td>MY 2016</td>
</tr>
<tr>
<td>Health Net</td>
<td>Quality Incentive</td>
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<tr>
<td>Sharp Health Plan</td>
<td>Population based payment</td>
</tr>
<tr>
<td>Western Health Advantage</td>
<td>Population based payment</td>
</tr>
</tbody>
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*Data issues encountered in the MY 2014 results collection and reporting delayed implementation of VBP4P shared savings payments*
Key Resources

• VBP4P Incentive Design Document
  • Provides step by step documentation of the VBP4P recommended incentive design

• VBP4P Reporting Portal
  • The place to find your results, as well as thresholds and the PO worksheet
  • [https://analytics.iha.org](https://analytics.iha.org)
# MY 2015 Value Based P4P Measures

## Clinical (50%)
- Process and outcomes measures focused on six priority clinical areas
  - Cardiovascular (5)
  - Diabetes (9)
  - Musculoskeletal (1)
  - Prevention (14)
  - Respiratory (5)
  - Maternity (2)

## Patient Experience (20%)
- Patient ratings of five components, including care overall:
  - Communicating with Patients
  - Coordinating Care
  - Helpful Office Staff
  - Health Promotion
  - Overall Rating of Care
  - Timely Care and Service

## Meaningful Use of Health IT (30%)
- Percent of providers meeting CMS Meaningful Use Requirements
- Ability to report selected e-measures (2)

### Appropriate Resource Use
- Utilization metrics spanning:
  - Inpatient stays
  - Readmissions
  - ED visits
  - Outpatient procedures
  - Generic prescribing

### Total Cost of Care
- Average health plan and member payments associated with care for a member for the year, adjusted for risk and geography
VBP4P Incentive Design – Shared Savings

| Does the PO qualify? | ▪ Meets minimum Quality Composite Score  
| | ▪ Does not exceed Total Cost of Care Trend Gate |
| Did the PO improve resource use? | ▪ Resource use performance compared to prior year to determine if savings generated to be shared |
| How much is the PO’s incentive payment? | ▪ Quality performance determines share of savings, adjusting up or down |
VBP4P Incentive Modeling Based on MY 2015

**Does the PO qualify?**
- 27% of POs didn’t pass the performance gates:
  - 24% missed the TCC trend gate
  - 2% missed the quality gate

**Did the PO improve resource use?**
- Bed days driver of PO net share of savings

**How much is the PO’s incentive payment?**
- Modeling suggests about 34% of POs earn an incentive
  - Better quality performance increases incentive amount
### Attainment Incentive Added for MY 2016

#### Does the PO qualify?
- Meets minimum Quality Composite Score
- Does not exceed Total Cost of Care Trend Gate
- **Does not exceed Total Cost of Care Amount Gate**

#### Did the PO improve or maintain efficient resource use?
- Resource use performance compared to prior year determines if any savings to share
- **Attainment incentive supplements savings for POs with demonstrated efficiency**

#### How much is the PO’s incentive payment?
- Combined net shared savings **and attainment incentive**
- Quality performance determines share of savings
• Excel workbook that allows POs to understand the Value Based P4P design using own organization’s performance on Quality, Appropriate Resource Use, and Total Cost of Care for MY 2015.

• Dynamic: can be changed to understand the impact of various performance levels on health plan-specific incentives.

• Not intended to reflect the actual payments received from participating health plans.
PO Worksheet At A Glance

**Step 1:** Performance Gates

**Value Based P4P Incentive Worksheet - Measurement Year 2015**

**IHA PO (00000000)
Anthem Blue Cross**

**Step 2:** Shared Savings Incentive

**Step 3:** Attainment Incentive

**Step 4:** Combine shared savings & attainment incentive amounts & adjust for quality

**Value Based P4P
Shared Savings Incentive**
<table>
<thead>
<tr>
<th>Gate</th>
<th>Threshold</th>
<th>Your Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>QCS = 10</td>
<td>Quality Composite Score</td>
</tr>
</tbody>
</table>
| **Total Cost of Care (TCC) Trend** | CPI+3% = 4.1%  
*High-cost PO: CPI+1% = 2.1%* | Lower limit of 85% confidence interval for TCC Trend (observed)             |
| **Total Cost of Care (TCC) Amount** | < 90th Percentile for MY 2014 and MY 2015 TCC ($PMPY) | MY 2014 percentile range for TCC (geography & risk-adjusted)                |
|                             |                                                | MY 2015 percentile range for TCC (geography & risk-adjusted)                |
High Quality Increases Share of Any Savings
The P4P recommended Quality Multiplier ranges from 0.65 to 1.35, corresponding with Quality Composite Scores of 10 to 75.
## Shared Savings: Results Used for Modeling

<table>
<thead>
<tr>
<th>Measures</th>
<th>MY 2015 Result</th>
<th>MY 2014 Result</th>
<th>Normalized Expected Rate (MY 2015)</th>
<th>Denominator</th>
<th>Resource Use Saved/Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-Cause Readmissions (PCR)</td>
<td>Normalized Observed / Expected Ratio</td>
<td>Expected Rate/Population O/E</td>
<td># Total Admissions</td>
<td>Units of Improvement</td>
<td></td>
</tr>
<tr>
<td>Inpatient Bed Days (IPBD)</td>
<td>Observed Rate</td>
<td>NA</td>
<td>Member Years</td>
<td>Units of Improvement</td>
<td></td>
</tr>
<tr>
<td>Emergency Department Visits (EDV)</td>
<td>Observed Rate</td>
<td>NA</td>
<td>Member Years</td>
<td>Units of Improvement</td>
<td></td>
</tr>
<tr>
<td>Outpatient Procedures in Pref. Facility (OSU)</td>
<td>Observed Rate</td>
<td>NA</td>
<td>Member Years</td>
<td>Units of Improvement</td>
<td></td>
</tr>
<tr>
<td>Generic Prescribing (GRX) - Overall</td>
<td>Overall Generic Prescribing Rate</td>
<td>NA</td>
<td>Total Number of Rx</td>
<td>Units of Improvement</td>
<td></td>
</tr>
</tbody>
</table>

*Population O/E: 0.7924632338
Pool rates are used for small POs with <1500 member years*
### Attainment Incentive Benchmarks

<table>
<thead>
<tr>
<th>Resource Use Measures</th>
<th>Measurement Year (MY 2015)</th>
<th></th>
<th>Baseline Year (MY 2014)</th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Threshold 75&lt;sup&gt;th&lt;/sup&gt; Percentile</td>
<td>Benchmark 90&lt;sup&gt;th&lt;/sup&gt; Percentile</td>
<td>Threshold 75&lt;sup&gt;th&lt;/sup&gt; Percentile</td>
<td>Benchmark 90&lt;sup&gt;th&lt;/sup&gt; Percentile</td>
</tr>
<tr>
<td>All-Cause Readmissions</td>
<td>6.35%</td>
<td>3.24%</td>
<td>7.23%</td>
<td>2.05%</td>
</tr>
<tr>
<td>Inpatient Bed Days (PTMY)</td>
<td>91.32</td>
<td>78.52</td>
<td>84.40</td>
<td>73.99</td>
</tr>
<tr>
<td>Emergency Department Visits (PTMY)</td>
<td>139.73</td>
<td>127.14</td>
<td>139.31</td>
<td>126.21</td>
</tr>
<tr>
<td>Generic Prescribing – Overall</td>
<td>86.52%</td>
<td>88.12%</td>
<td>86.65%</td>
<td>87.99%</td>
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## Attainment Incentive: Results Used for Modeling

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<th>MY 2014 Result</th>
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<tr>
<td>✅ All-Cause Readmissions (PCR)</td>
<td>Risk-Adjusted Rate</td>
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<td>Overall Generic Prescribing Rate</td>
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Revisiting the PO Worksheet

Step 1: Performance Gates

Step 2: Shared Savings Incentive

Step 3: Attainment Incentive

Step 4: Combine shared savings & attainment incentive amounts & adjust for quality

Value Based P4P Shared Savings Incentive
Full-Risk POs

1. **Apply Performance Gates**: Determine if the PO passes the VBP4P performance gates for quality and cost trend. If so, the PO is eligible for an incentive.

2. **Calculate Quality Composite Score**: see [QCS methodology](#).

3. **Generate Value Score**: Apply TCC adjustment to QCS to adjust the QCS up or down based on a PO’s relative performance on the TCC amount. The PO’s TCC performance compares a physician organization’s geography- and risk-adjusted TCC amount against PO performance for the P4P population as a whole.

4. **Determine Incentive Payment**: Value scores for POs and memberships would be used by health plans to distribute incentives across their full-risk POs.
### Cost Multiplier Calculation Example

| MY 2015 TCC (geography- and risk-adjusted) | $4,156.25 |
| Cost Multiplier                          | 1.01     |

### Value Score for Full-Risk POs Example

| Quality Composite Score                  | 39       |
| Cost Multiplier                          | 1.01     |
| **Value Score (cost-adjusted quality)**  | **39.50** |
Questions?
Contact Us: p4p@iha.org