Value Based P4P 202: Appropriate Resource Use Measures

March 30, 2015
Today’s session is the third in a series and focuses on Performance Gates and TCC Specifications:

101: Value Based P4P 101
102: Worksheet Review
103: Performance Gates and TCC Specifications
201: Shared Savings Calculation

202: Resource Use Measure and Specifications
203: Full Risk Organization Methodology

Did you miss a previous webinar? 
Slides and recording are available on the IHA website at www.iha.org
Agenda

• Background
• Role of Appropriate Resource Use Measures
• How and Where?
• Measure Specifications
• Questions
## Value Based P4P Overview

<table>
<thead>
<tr>
<th>Does the PO qualify?</th>
<th>Did the PO improve?</th>
<th>How much is the PO’s incentive payment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Gate</td>
<td>Resource use compared to prior year</td>
<td></td>
</tr>
<tr>
<td>TCC Trend Gate</td>
<td>Selected inpatient, outpatient, ED, and prescribing measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net savings for all ARU measures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality determines share of savings</td>
<td></td>
</tr>
</tbody>
</table>
Value Based P4P Design

• Performance gates
  - Quality
  - Total Cost of Care Trend
• Calculate share of savings based on resource use
• Adjust share of savings for Quality
• Sum adjusted shared savings

```
Step 1a – Quality Gate
  yes → Step 1b – Total Cost of Care Trend Gate
  no → PO does not qualify for value Based P4P incentive

Step 1b – Total Cost of Care Trend Gate
  yes → Step 2 – (repeat for each ARU measure) – Calculate Base Incentive Amount using Appropriate Resource Use (ARU) Measures
  no → PO does not qualify for value Based P4P incentive

Step 2:
  Step 3a Apply Quality Adjustment to base Incentive Amount

Step 3a:
  Step 4 Sum Incentive Amounts across ARU Measures; negative amounts offset positive amounts

Value Based P4P SHARED SAVINGS INCENTIVE
```
Appropriate Resource Use Measures

Measures are Not Risk-Adjusted

- “MORE is better”
  - % Outpatient Procedures in Preferred Facility
  - Generic Prescribing Overall (or Therapeutic Areas)

Risk-Adjusted Measures

- “LESS is better”
  - Inpatient Bed Days (or Inpatient Discharges)
  - All-Cause Readmissions
  - ED Visits
## Data Sources & Collection

### Quality Measures

<table>
<thead>
<tr>
<th>Clinical Quality</th>
<th>Patient Experience</th>
<th>Meaningful Use of Health IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Organization-level results reported by health plan and physician organization</td>
<td>- Clinician and Group CAHPS survey of physician organization members</td>
<td>- Survey of physician organizations</td>
</tr>
<tr>
<td>- Not a sample – all members included</td>
<td>- Administered by CHPI</td>
<td>- Compiled by NCQA</td>
</tr>
<tr>
<td>- Audited</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Resource Use Measures

<table>
<thead>
<tr>
<th>Appropriate Resource Use</th>
<th>Total Cost of Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Health plan submits complete claims and encounters for all members</td>
<td>- Health plan supplements claims and encounter data with member-level total payments</td>
</tr>
<tr>
<td>- Calculated by Truven Health Analytics</td>
<td>- Calculated by Truven Health Analytics</td>
</tr>
</tbody>
</table>
• ARU Preliminary Reports will be available **June 26**

• Results
  • Reports can be found: https://analytics.iha.org
  • Review period is scheduled from **June 26–July 17**

<table>
<thead>
<tr>
<th>Appropriate Resource Use</th>
<th>Time Frame or Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate Resource Use (ARU) Preliminary Data Submission: Health plans may submit <em>preliminary</em> files of claims, encounter and eligibility data to Truven for each contracted PO with a signed P4P Consent to Disclosure Agreement.</td>
<td>April 30, 2015</td>
</tr>
<tr>
<td>Appropriate Resource Use (ARU) Final Data Submission: Health plans submit <em>final</em> files of claims, encounter and eligibility data to Truven for each contracted PO with a signed P4P Consent to Disclosure Agreement.</td>
<td>May 15, 2015</td>
</tr>
<tr>
<td>Appropriate Resource Use Results Questions and Appeals Period: IHA and Truven work with POs and health plans to address any questions or issues related to Appropriate Resource Use results.</td>
<td>June 26–July 17, 2015</td>
</tr>
</tbody>
</table>

Measurement specifications can be found in the P4P Manual.
Inpatient Utilization – Acute Care Discharges (IPU)

• **Description:** Number of inpatient discharges per thousand member years

\[
\frac{\text{Total PO Discharges}}{\text{Total PO Member Years}} \times 1,000
\]

• **Exclusions:** Discharges to/for SNF, maternity, mental health & chemical dependency, and readmissions

• **Outlier Thresholds:** Less than 15 PTMY

• **Risk Adjusted:** DxCG Relative Risk Score
Inpatient Bed Days (IPBD)

• **Description:** Number of inpatient bed days per thousand member years

  \[
  \frac{\text{Total PO Bed days}}{\text{Total PO Member Years}} \times 1,000
  \]

• **Exclusions:** Discharges to/for SNF, maternity, mental health & chemical dependency, and readmissions

• **Outlier Thresholds:** Truncate stays at 30 bed days

• **Risk Adjusted:** DxCG Relative Risk Score
All-Cause Readmissions (PCR)

• **Description:** Number of acute inpatient stays during the measurement year that were followed by an acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission

\[
\text{Inpatient Readmissions within 30 days} \times 1,000
\]

\[
\text{Eligible Discharges}
\]

• **Exclusions:** Death, pregnancy, perinatal, readmissions (excluded in MY2013 but will be included in measure for MY2014)

• **Outlier Thresholds:** None

• **Risk Adjusted:** HCC
ED Visits (EDV)

- **Description:** Number of emergency department visits per thousand member years

\[
\text{Total PO ED Visits} \times 1,000 = \frac{\text{Total PO ED Visits}}{\text{Total PO Member Years}}
\]

- **Exclusions:** Mental health & chemical dependency, and visits resulting in an inpatient admission

- **Outlier Thresholds:** Low: 60 PTMY; High: 250 PTMY

- **Risk Adjusted:** DxCG Relative Risk Score
**Outpatient Services Utilization (OSU)**

- **Description:** Percent of outpatient procedures performed in a preferred facility (defined by plan)

\[
\frac{\text{OP Procedures in a Preferred Facility}}{\text{Total OP Procedures}} \times 1,000
\]

- **Exclusions:** Mental health and chemical dependency services

- **Outlier Thresholds:** None

- **Risk Adjusted:** No
Generic Prescribing (GRX)

- **Description:** Percent of prescriptions that are paid as generic for seven therapeutic areas and overall

\[
\text{Number of Generic Rxs} \times 1,000
\]
\[
\text{Number or Rxs}
\]

- **Drugs in Therapeutic Areas:** Anti-migraine, Anti-Ulcer, Cardiac, Hypertension and Cardiovascular, Nasal, Steroids, Statins, Diabetes

- **Exclusions:** Drugs not in therapeutic areas; self-injectible drugs are excluded from overall rate

- **Outlier Thresholds:** None

- **Risk Adjusted:** No
Varied Resource Use Trends

Decreases=Improvement

Inpatient Bed Days  Readmissions (IRN)  ED Visits

Increases=Improvement

Generic Prescribing

% Change in P4P Population Rate

-6%  -4%  -2%  0%  2%  4%  6%

2009-2010  2010-2011  2011-2012  2012-2013

-1.3%  4.5%  1.7%  3.1%
Additional Resources

- PO reports and worksheets available on the Value Based P4P Analytics Portal

- Value Based P4P Issue Brief, Design Document, and Participant Resources available on IHA website at [www.iha.org](http://www.iha.org)

- Questions may be directed to [p4p@iha.org](mailto:p4p@iha.org)

- Thank you!