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Aligning Performance Measures Across Medi-Cal Managed Care Pay-for-Performance Programs

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Medi-Cal, the state-federal health program for low-income people, now covers more than one in three Californians—about 13.3 million people in 2017, an increase of almost 4 million since passage of the Affordable Care Act (ACA). Roughly 11 million Medi-Cal enrollees get care through managed care plans, including nearly all enrollees added through the ACA Medi-Cal expansion.[1] As Medi-Cal managed care enrollment increases, the need is growing for a common yardstick that will enable physicians to focus on what matters most to patients and payers—delivering high-quality, affordable, patient-centered care. Toward that goal, standardizing provider performance measurement and reporting across Medi-Cal health plans can:

- *Reduce reporting burdens and make performance information more meaningful to clinicians, health plans, policymakers, consumers, and other stakeholders.*
- *Create a common benchmark to track performance and pinpoint opportunities to improve quality and lower costs at the provider organization level.*
- *Strengthen the signal to plans and providers on where to focus improvement efforts.*

IHA is working with Medi-Cal health plans and providers and key stakeholders across the state to adopt both its comprehensive Value Based Pay for Performance (P4P) program for physician organizations and a voluntary and standardized Medi-Cal core measure set for health plans to incorporate into existing P4P programs. The initial core measure set includes 10 clinical quality measures in Medi-Cal priority areas, including chronic disease, such as diabetes care; maternity care; pediatric care; and prevention. According to a recent IHA survey, a growing number of Medi-Cal managed care plans have adopted the core measure set and incorporated other key measurement domains, such as patient experience and utilization, into provider P4P programs. Ultimately, standardized performance measurement across commercial insurance, Medicare, and Medi-Cal using the same clinical quality, patient experience, and utilization/cost measures will strengthen the performance signal for providers, reduce reporting burdens, improve data quality, and allow providers to focus on improving care instead of contending with multiple measures and reporting systems.

Medi-Cal P4P Landscape

Medi-Cal, California's Medicaid program, has grown substantially under the ACA, with a heavy reliance on enrollees receiving care through managed care plans. In 2017, 23 Medi-Cal health plans managed the care of about 11 million people across the state's 58 counties (see Medi-Cal Managed Care Varies by County on page 2). California's Department of Health Care Services (DHCS) is responsible for overseeing all Medi-Cal managed care plans to ensure enrollees can access timely, high-quality care. To assess the quality of care delivered to Medi-Cal enrollees, DHCS requires plans to report annually on selected performance measures and administer a consumer satisfaction survey every three years.

Performance measurement and incentives are important at the plan level. However, they are even more effective in improving quality and lowering costs when focused at the provider level, where care is delivered. In IHA's longstanding work in commercial and Medicare populations, it is clear that provider performance drives overall plan performance in clinical areas. While many Medi-Cal managed care plans have adopted P4P programs that reward provider improvement on predetermined measures or attainment of specified quality and efficiency thresholds, no coordinated statewide alignment of performance measurement for Medi-Cal providers existed before the work undertaken by IHA.

In the fall of 2014, IHA conducted an initial survey of 22 Medi-Cal managed

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Medi-Cal Managed Care Varies by County

Medi-Cal managed care operates on a county-by-county basis in all of California's 58 counties, with each county falling under one of six contracting models.[2] The model largely dictates the number of managed care health plans directly contracted with Medi-Cal in that county:

- County Organized Health Systems (COHS): DHCS contracts with one health plan created by the County Board of Supervisors. COHS plans serve all managed Medi-Cal members in their counties. There are a total of six unique COHS plans operating in 22 COHS counties.
- Two-Plan Model: DHCS contracts with a local initiative plan (county organized) and a commercial plan. The majority of Medi-Cal managed care enrollees statewide receive care under the two-plan model.
- Geographic Managed Care (GMC): DHCS contracts with several commercial plans to increase choice for consumers. There are two GMC counties—San Diego and Sacramento.
- Regional: DHCS contracts with two commercial plans in mostly rural locations.
- Imperial: DHCS contracts with two commercial plans in two counties.
- San Benito: DHCS contracts with one commercial plan in San Benito County.

care health plans to assess P4P activities. Of the 20 Medi-Cal plans that responded, 16 had a P4P program offering financial incentives or bonuses tied to provider performance. However, of the more than 80 performance measures used across the 16 P4P programs, only one measure—HbA1c testing for people with diabetes—was used across all plans.

Moving To a Common Performance Yardstick

The 2014 survey findings highlighted the need for greater alignment of performance measurement across Medi-Cal managed care P4P programs. With funding from the Blue Shield of California Foundation, IHA initiated the Medi-Cal P4P Core Measure Set project in 2015 with a goal of increasing the effectiveness of Medi-Cal P4P programs through greater standardization of provider performance measurement.

IHA recruited an Advisory Committee, made up of representatives of Medi-Cal managed care plans, providers serving Medi-Cal enrollees, DHCS, and other stakeholders to provide expertise and guidance on all project activities. Over the first year of the project, IHA's Advisory Committee met several times to reach consensus on a core measure set that all Medi-Cal plans could incorporate into their existing P4P programs.

During the development process, committee members' perspectives differed about how high to set the initial bar for the core measure set in terms of accountability for outcomes. Many committee members wanted the core set to be broader and incorporate measures that plans and providers may not be accountable for but represent what will be important in the future, such as patient experience and utilization. Ultimately, the group balanced these aspirational goals with practical operational challenges stemming from varying data collection and data-sharing capabilities among Medi-Cal plans and providers. The focus was on including measures that plans and providers were already held accountable for and that a wide range of provider entities could report using administrative data only.[3] In the end, the need for standardization was considered a more important priority than the value of any specific measure.

The initial core measure set was finalized in 2016 with additional funding from the Pacific Business Group on Health under its Transforming Clinical Practices Initiative grant from the federal Center for Medicare & Medicaid Innovation. January 2017 marked the first year of implementation of the core set (see Exhibit 1 for the core measure set). The initial 10 measures were drawn

Exhibit 1: Medi-Cal Managed Care Plan P4P Core Measure Set

Domain	Measures	National Quality Forum #	Auto-Assignment Measure
Cardiovascular	Annual Monitoring for Patients on Persistent Medications: ACE or ARB	0021	
	Annual Monitoring for Patients on Persistent Medications: Diuretics	0021	
Diabetes Care	HbA1c Testing	0057	Yes
	HbA1c Control (<8.0%)	0575	
	Eye Exam	0055	
Maternity	Timeliness of Prenatal Care	1517	Yes
Prevention	Childhood Immunizations, Combo 3	0038	Yes
	Well-Child Visits in 3rd, 4th, 5th, and 6th Years of Life	1516	Yes
	Cervical Cancer Screening	0032	Yes
Respiratory	Asthma Medication Ratio	1800	

Source: Integrated Healthcare Association.

from the DHCS External Accountability Set (EAS), which plans were already required to report on for their entire population at the plan level. A subset of the EAS measures is included in DHCS' auto-assignment program, which gives enrollment preferences to higher performing plans. In counties using the Two-Plan and Geographic Managed Care models, DHCS uses auto assignment to motivate plans to improve their quality scores. The incentive program uses six Healthcare Effectiveness Data and Information Set, or HEDIS, measures to develop quality scores that determine which plans will receive a greater percentage of default enrollment; five of the six auto-assignment measures are included in the IHA core measure set.

A New Snapshot

To assess progress in aligning Medi-Cal P4P performance measures and the voluntary adoption of the core measure set, IHA conducted a second survey of 23 Medi-Cal health plans in 2017. Sixteen plans had a Medi-Cal P4P program in place in 2017 (see Exhibit 2 for an overview of Medi-Cal P4P activities). Of the 16 Medi-Cal plans, five had fully adopted the core measure set, another 10 had partially adopted the core measures, and one plan did not include any of the core measures in its program (see Exhibit 3 for an overview of plan adoption of the core measure set in 2017). Of the seven remaining Medi-Cal managed care plans, Care1st has joined IHA's full scale Valued Based P4P program, which includes a majority of the Medi-Cal core set measures. The six other Medi-Cal plans did not have P4P programs in place. One plan was developing a new program, one discontinued its P4P program, two did not have P4P programs and did not intend to implement any programs, one was a new Medi-Cal plan in 2017, and one plan's status was unknown.

Exhibit 2: Medi-Cal Managed Care Plan P4P Status, 2014 and 2017

Overview of Current P4P Activities	Number of Plans (2014)	Number of Plans (2017)
P4P Programs in Place	16	16
No P4P Program in Place	4	6
Unknown P4P Program	2	1
Total Number of Plans	22	23

Source: Integrated Healthcare Association.

Exhibit 3: Core Measure Set Adoption in 2017

Full Adoption	Partial Adoption
Alameda Alliance for Health	Anthem Blue Cross
Central California Alliance for Health	California Health & Wellness Plan
Inland Empire Health Plan	CalOptima
Kern Family Health	CalViva Health
San Francisco Health Plan	Health Net
	Health Plan of San Joaquin
	Health Plan of San Mateo
	LA Care Health Plan
	Molina Healthcare

Note: Gold Coast Health Plan introduced a new P4P program in 2017 focused on well child access and did not include any of the core measures during the first year of implementation. It plans to implement a subset of the core measures in 2018.
Source: Integrated Healthcare Association.

Emerging Opportunities for Performance Measurement in Medi-Cal

Infrastructure and Capability Development. While the core measure set has built a strong foundation for greater alignment of clinical quality measures across Medi-Cal P4P programs, challenges to broader adoption remain. Overall, there is wide variation across Medi-Cal managed care P4P programs in terms of size and sophistication, as well as the data reporting and collection capabilities of their contracted providers. Therefore, plans have varying capabilities and experience different challenges when considering adoption of the core measure set. In some cases, data challenges prompted Medi-Cal plans to focus on a smaller subset of measures. This is especially true for Medi-Cal plans that largely contract with solo or small practices where aggregation across providers is extremely cumbersome. Financial constraints also led some plans to limit the number of measures they were able to incentivize within their P4P programs. In other cases, some plans had to comply with state-mandated corrective action plans and, therefore, their resources were directed to addressing deficiencies identified through DHCS audit rather than adding core measures to their P4P programs.

Measurement Beyond Quality. On the other end of the spectrum, provider performance on certain measures for some Medi-Cal plans was consistently

Exhibit 4: Measurement Domains in Medi-Cal Managed Care Plan P4P programs

Measurement Domains	Number of Health Plans Measuring in 2014 P4P Program	Number of Health Plans Measuring in 2017 P4P Program
Access	8	9
Clinical	13	15
Patient Experience	5	7
Utilization	7	9
Encounter Submission	6	8

Source: Integrated Healthcare Association.

at the highest levels, so plans chose to focus on other clinical priority areas in their P4P programs. Competing priorities also came into play, with some plans indicating that other areas, such as access and utilization, took precedence over adopting the core measure set. While the initial Medi-Cal P4P core measure set focused solely on clinical quality at the provider level, a more comprehensive performance measurement system would include additional key measurement domains such as patient experience and utilization.

- **Patient Experience.** Capturing patients' perspectives of their care is critical to assessing the degree of patient-centered care being provided, which is an important aspect of engaging and empowering patients to be involved in their care. Every three years, DHCS uses the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey to assess member satisfaction with their Medi-Cal managed care plans. Ideally, an expanded core measure set would include patient experience measures at the provider level. While challenges exist to measuring patient experience, the CAHPS survey is a logical starting place until other measurement tools are developed. Furthermore, since CAHPS is used in several existing programs, there are opportunities to compare patient experience across various initiatives.
- **Utilization.** Utilization measures are a reasonable proxy for cost and represent the frontier of value-based measurement. While utilization metrics are often tracked and monitored by both health plans and providers, their use in existing Medi-Cal P4P measure sets is not widespread. Further, little effort has been invested in refining and standardizing performance measures based on utilization as compared to quality.

According to the 2017 IHA survey of Medi-Cal managed care plans, more P4P programs included patient experience and utilization measures than in 2014, indicating growing alignment across measurement domains as Medi-Cal P4P programs mature. The survey also found that Medi-Cal managed care plan P4P programs have evolved across other measurement domains, including measurement of enrollee access to care (i.e., availability of extended office hours) and the timeliness and accuracy of encounter data submitted by providers (see Exhibit 4 for a comparison of P4P measurement domains between 2014 and 2017).

Coordination Across Markets. As Medi-Cal expands to cover more Californians, a growing number of physician organizations are serving both commercial and Medi-Cal enrollees—increasing the need and opportunity for greater performance measurement alignment across health plans and market segments. In 2017, IHA analyzed provider networks associated with Medi-Cal plans in Los Angeles. Not only did IHA identify significant network overlap within the Medi-Cal enrolled population, IHA also found that more than half of provider groups contracting with Medi-Cal managed care plans were already participating in IHA's Value Based P4P program for commercial enrollees. In this environment, a single physician organization may serve commercial, Medicare Advantage, and Medi-Cal members. Each payer requires providers to report on a specific set of measures to ensure providers are providing high-quality care. However, the measures within each payer's required sets sometimes conflict. For example, a measure may have a similar focus but different measurement specifications, which places unnecessary data reporting burdens on providers. Aligning measurement, consistent with the goals of patient-centered care, would support providers' position that they treat all patients similarly regardless of insurance source.

Next Steps: Implementing Standardized Measurement & Benchmarking

Identification and adoption of the core measure set serves as an appropriate starting point for performance measurement standardization. Simultaneously, IHA's performance measurement experience has highlighted that standard reporting, aggregated data, and consistent benchmarks across health plans are critical in reducing the burden of measurement and strengthening the performance signal to physician organizations. The next steps toward fully realizing the objectives put forward

IHA's Value Based P4P Program

Founded in 2001, the Value Based P4P program has grown into one of the largest alternative payment models in the country. Today, participants include nine statewide health plans and nearly 200 California physician organizations caring for over 9 million Californians enrolled in commercial health maintenance organizations (HMOs) and point of service (POS) products. A key component of the Value Based P4P program is the common measure set, which includes 44 measures of clinical quality, patient experience, and utilization/total cost of care. For additional information visit http://www.iha.org/our-work/accountability/value-based-p4p.

for Medi-Cal would entail moving from simply standardizing the measures to standardizing both the collection and reporting of performance measure results.

IHA recently expanded the commercial Value Based P4P program to include its first Medi-Cal plan and its contracted provider groups in Los Angeles. The Value Based P4P program measure set includes eight of the 10 measures in the core set, as well as patient experience, resource use, and cost measures (see IHA's Value Based P4P Program on page 5).

While not every provider organization has the size and sophistication to adopt a performance measurement system spanning clinical quality, patient experience, and utilization, for the ones that do, the benefits can be significant. Capitalizing on the significant data and care management infrastructure of larger provider organizations, leveraging the Value Based P4P program to support standard measurement, and reporting results can drive alignment across commercial HMO and Medi-Cal enrollees. In addition, expanding Medi-Cal plan participation in Value Based P4P enables the generation of performance benchmarks for Medi-Cal provider groups and allows for the generation of meaningful benchmarks for providers that help bridge quality improvement efforts across health plans and product lines. Los Angeles—where provider organizations may work with six different plans for their Medi-Cal business—is a prime example. The potential reach of expanding the Value Based P4P program in Medi-Cal managed care plans in Los Angeles County is significant as these plans serve approximately 30 percent of all Medi-Cal enrollees in the state.

Overall, Medi-Cal has a wide range of provider types in terms of size, degree of integration, and sophistication, all of which need to be considered in any effort to standardize performance measurement. There is still much work to be done to create greater standardization and to improve quality of care, especially in Medi-Cal, which by virtue of its size and safety net role, serves the most vulnerable people among us. Given that Medi-Cal covers nearly one in three Californians, it must play a key role in the move toward better care, better health, and smarter spending for all Californians.

Notes

1. Medi-Cal at a Glance (September 2017): http://www.dhcs.ca.gov/dataandstats/statistics/Documents/Medi-Cal_at_a_Glance-Sept2017_ADA.pdf
2. Medi-Cal Managed Care Program Fact Sheet – Managed Care Models: http://www.dhcs.ca.gov/provgovpart/Documents/MMCDModelFactSheet.pdf
3. Medi-Cal P4P Core Measure Set Development: http://www.iha.org/sites/default/files/files/page/medi-cal-p4p-core-measure-set-development_0.pdf

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