Physician Organization Relations with Insurers: Quality Improvement and Cost Management

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Overview

- Collaboration between physician organizations, insurers, and other stakeholders
- Selected outcomes from collaboration
- Challenges to physician organization

“Geez Louise—I left the price tag on.”
Collaboration between Physician Organizations, Insurers, and Other Stakeholders

- California is unique in the USA in terms of the strong role played by large physician-led organizations. In other states, leadership has been assumed by hospital systems.

- Physician organizations compete with one another for patients but also collaborate with one another on best practices for quality, efficiency, patient experience.

- Collaboration is centered in the Integrated Healthcare Association (IHA), which includes leading physician organizations but also insurers, employers, government entities, and hospital systems (and a few professors 😊).
In California, Major Physician Organizations Collaborate with Insurers, Hospital Systems, and Purchasers (Employers and Government) through the Integrated Healthcare Association

Founded in 1994, the Integrated Healthcare Association (IHA) is guided by a 40 member board of industry leading health plans, physician organizations, hospitals/health systems, purchasers, regulators, consumer groups, universities, and pharmaceutical and technology companies.

www.iha.org
IHA Mission is to Use Multisector Collaboration to Measure, Reward, and Improve Performance: Quality, Patient Experience, Efficiency, Cost

IHA Develops and Publishes Reports on Best Practices, Trends, Geographic Variations, Areas Needing Additional Focus. It also provides detailed feedback to each physician organization on its performance relative to peers and to prior years.

- **Measures**: 50 highly aligned measures of clinical quality, patient experience, utilization, total cost of care
- **Includes**: Commercial HMO, commercial ACO, Medicare Advantage, Managed Medi-Cal (Medicaid) members; 200 risk bearing physician organizations
- **What’s Viewable**: Physician organization level performance data for commercial HMO and Medicare Advantage
- **Collaborators**: California Office of the Patient Advocate, National Committee for Quality Assurance, National Quality Forum, Pacific Business Group on Health
- **Data Partners**: 10+ health plans, 20 commercial ACOs, 200+ medical groups, independent physician associations & federally qualified health centers, Onpoint Health Data
Value-Based Pay-for-Performance (VBP4P) Program is collaborative efforts with insurers (health plans), purchasers (employers, government).
Clinical, Efficiency, and Cost Metrics

### AMP Commercial ACO Measure Set

<table>
<thead>
<tr>
<th>Measure Abbreviation</th>
<th>Measure Description</th>
<th>Clinical Quality</th>
<th>Measure Domain</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAB</td>
<td>Avoidance of Antibiotic Treatment for Adults with Acute Bronchitis</td>
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<tr>
<td>AMR</td>
<td>Asthma Medication Ratio</td>
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<tr>
<td>BCS</td>
<td>Breast Cancer Screening</td>
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<tr>
<td>CBPD4</td>
<td>Comprehensive Diabetes Care: Blood Pressure Control &lt; 140/90 mm Hg</td>
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<tr>
<td>CBPH</td>
<td>Controlling Blood Pressure for People with Hypertension</td>
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<td>CCO</td>
<td>Cervical Cancer Overscreening (Inverted Rate)</td>
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<tr>
<td>CCS</td>
<td>Cervical Cancer Screening</td>
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<tr>
<td>CDCE</td>
<td>Comprehensive Diabetes Care: Eye Exam</td>
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<tr>
<td>CHL</td>
<td>Chlamydia Screening in Women</td>
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<tr>
<td>CIS</td>
<td>Childhood Immunization Status: Combination 10</td>
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<tr>
<td>COL</td>
<td>Colorectal Cancer Screening</td>
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<td>CWP</td>
<td>Appropriate Testing for Children with Pharyngitis</td>
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<td>HBACON</td>
<td>Comprehensive Diabetes Care: HbA1c Poor Control &gt; 9.0% (Inverted Rate)</td>
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<td>HBASCR</td>
<td>Comprehensive Diabetes Care: HbA1c Testing</td>
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<td>IMA</td>
<td>Immunizations for Adolescents: Combination 2</td>
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<td>LBP</td>
<td>Use of Imaging Studies for Low Back Pain</td>
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<td>NEPHSCR</td>
<td>Comprehensive Diabetes Care: Medical Attention for Nephropathy</td>
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<tr>
<td>SPC1</td>
<td>Statin Therapy for Patients With Cardiovascular Disease: Prescribing Rate</td>
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<tr>
<td>SPC2</td>
<td>Statin Therapy for Patients With Cardiovascular Disease: Adherence Rate</td>
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</tr>
<tr>
<td>SPD1</td>
<td>Statin Therapy for Patients With Diabetes: Prescribing Rate</td>
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<tr>
<td>SPD2</td>
<td>Statin Therapy for Patients With Diabetes: Adherence Rate</td>
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<tr>
<td>EDU</td>
<td>Emergency Department Utilization</td>
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<tr>
<td>PCR</td>
<td>All-Cause Readmissions</td>
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<tr>
<td>TCOC</td>
<td>Total Cost of Care: Geography &amp; Risk Adjusted ($250,000 Truncation)</td>
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</tbody>
</table>
Data are Collected Annually From Physician Organizations (PO) and Health Plans

- Results were generated from the health plan data submission to Onpoint
- POs had the option to test self-reporting of commercial ACO results

Health Plan Submission:
- Health Plan
  - Prepares files:
    - Eligibility
    - Claims (Med & Rx)
    - Costs
    - Lab (HbA1c)

Onpoint:
- Intakes, validates, and links data
- Generates measures

PO Submission:
- PO
  - Generates measure results

Transunion:
- Validates and formats
- Consolidates files

IHA:
- Review & consolidate data
- Create & distribute reports
Collection and Use of Performance Metrics

- Data are verified, compiled, compared, and disseminated
- Each PO gets its own results, with comparative rankings
- Summary reports are published on the web to be accessible to patients and other stakeholders
- Insurers pay annual bonuses to high-performing PO
- These are structured as shared-savings, with savings measured as the difference between total expected and actual costs per patient per year, contingent on high quality performance
  - No quality, no bonus (regardless of extent of savings)
- Trends are measured over time for each physician organization and for the groups collectively
Publication of Performance Metrics: Transparency is Key Value for Employers & Government

Index

- Clinical Quality Index - 21 measures
- Resource Use Index - 2 measures
- Cost Index - 1 measure

Percentiles
The report will display the percentile groups, the count of ACOs in each percentile group, and its % of the total ACOs.

- <10: less than the 10th percentile
- 10 - 50: greater than or equal to the 10th percentile & less than the 50th percentile
- 50 - 90: greater than or equal to the 50th percentile & less than the 90th percentile
- >90: greater than the 90th percentile

ACO-Reported Data was not factored into the All Commercial ACO Measure Averages, Measure Domain Index Values, Percentiles or Rate Distributions.

Clinical Quality Rates with denominators less than 30 were excluded. All Cause Readmissions Rates with less than 30 hospital stays were excluded. Emergency Department Utilization Rates with less than 150 eligible members were excluded.
Reporting of Outcomes

- Performance metrics are reported for PO individually, by region, type of PO, over time, etc.
- Individual PO are given their results and benchmarks for comparison. They participate in working groups to improve performance on areas of concern.
- Leading PO obtain financial bonuses but also prizes and recognition.
- Metrics are published on the IHA website and by the state government and other stakeholders.
Results Available to Each PO, with Benchmarks

Annual ‘Stakeholder Conference’ Brings All PO Together to Share Best Practices

- **Resource Use & Total Cost of Care Results**.csv downloads
  - **Clinical Quality Results (IHA_ACO_CQM_SRPO&PLAN)**
    - Includes rates for all clinical quality measures generated from data submitted by participating health plans, as well as any PO reported results
    - 21 total clinical quality measures; with underlying indicators (e.g., age bands) 44 results per ACO contract
  - **Resource Use Results** (multiple)
    - Individual files for each resource use measure
    - Based on data submitted by participating health plans by commercial ACO contract
  - **Total Cost of Care Results (IHA_TCOC250K_GEO_RISKADJ_958)**
    - Includes $250,000 member cost truncation and geography & risk adjustment
    - Based on data submitted by participating health plans by commercial ACO contract
Results for Individual PO are Available Online

Percentile Performance by Measure Domain

<table>
<thead>
<tr>
<th>ACO ID</th>
<th>ACO Name</th>
<th>Product</th>
<th>Enrollment</th>
<th>Clinical Quality Index Percentile</th>
<th>Resource Use Index Percentile</th>
<th>Cost Index Percentile</th>
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<tbody>
<tr>
<td>900200</td>
<td>Hilariously Fake Doctors</td>
<td>HMO</td>
<td>8,741</td>
<td>&gt;=50</td>
<td>&lt;10</td>
<td>&gt;=10</td>
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<td>900300</td>
<td>Seriously Fake Physicians</td>
<td>HMO</td>
<td>5,364</td>
<td>&gt;=90</td>
<td>&gt;=50</td>
<td>&gt;=10</td>
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<td>900401</td>
<td>Absurdly Fake Physicians</td>
<td>HMO</td>
<td>8,764</td>
<td>&lt;10</td>
<td>&gt;=50</td>
<td>&gt;=50</td>
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<td>900600</td>
<td>Wildly Fake Clinic</td>
<td>HMO</td>
<td>7,243</td>
<td>&lt;10</td>
<td>&gt;=10</td>
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<td>900700</td>
<td>Wildly Fake Doctors</td>
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<td>3,209</td>
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<td>&gt;=10</td>
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<td>900800</td>
<td>Hilariously Fake Care</td>
<td>HMO</td>
<td>4,453</td>
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<td>900801</td>
<td>Absolutely Fake Physicians</td>
<td>HMO</td>
<td>8,186</td>
<td>&gt;=10</td>
<td>&gt;=10</td>
<td>&gt;=90</td>
</tr>
</tbody>
</table>
Challenges to Physician Organization

- The large population density of California has fostered a strong ecosystem of physician organizations, but it is under pressure from hospitals and insurers.
- Hospital-centered organizations are expanding into ambulatory and physician services.
- Insurers are ambivalent about whether to collaborate with physician organizations or treat them as suppliers.
Which Way the Hospital Systems?

- Hospitals have been merging into large systems, both within and across cities and regions, and diversifying into ambulatory services and employment of physicians.

- They offer some of the advantages of physician-led organizations but often retain an institutional culture favoring specialty services over primary care.

- They have obtained strong pricing power against insurers, due to consolidation of local markets, and hence have the revenues to purchase more physician practices and further consolidate.

- Independent physician-led organizations have difficulty competing with hospital-systems for physician affiliations, due to the differences in financial strength.

- Insurers favor physician-led over hospital-centered organizations, but are doing too little to reverse the trend towards consolidation.
Which Way the Health Insurers?

- Collaboration on performance improvement is time-consuming and requires considerable staff time from insurers.
- Insurers collaborate with each other through IHA but also compete with one another on premiums, customer relationships.
- As competition becomes more intense, interest in collaboration wanes. Keeping insurers engaged in IHA and other forms of collaboration has been due to strong presence of physician organizations in California. Other states have weaker PO.
- National insurers now compete with one another primarily by shifting costs to enrollees (high cost sharing) rather than by striving to improve physician performance.
- The public Medicare and Medicaid programs, and the insurance programs they work with, now are more collaborative than insurers focused on private sector employers.
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