

Fact Sheet: Pay for Performance in Minnesota

Pay for performance

Pay for performance (P4P) is a strategy that directly links physician payment to measures of clinical performance.

Impact on physicians

Since 2003, there has been a steady increase in P4P programs—growing from 39 in 2003 to approximately 148 in 2007. In Minnesota, there are eight locally administered P4P programs:

- Blue Cross Blue Shield of Minnesota (1)
- HealthPartners (2)
- Medica (2)
- PreferredOne (1)
- UCare (1)
- Bridges to Excellence (1) – implemented by the Buyers Health Care Action Group, with participation by the state of Minnesota)

In addition, physicians can choose to participate in Medicare's voluntary reporting program, known as the Physician Quality Reporting Initiative (PQRI).

P4P, or quality incentive programs, will play a significant role in Minnesota health care reform efforts. In 2008, the Minnesota Legislature passed legislation that calls for development of a standardized quality incentive payment system.

P4P measures

In 2008, the MMA catalogued P4P measures used in the various programs and found there are 151 measures, assessing 73 disease states and 11 systems improvements. Measures fall into four key categories:

- Processes measures (Did the patient receive tobacco cessation counseling?)
- Outcomes measures (Did the patient quit smoking?)
- Patient satisfaction measures (Did the patient feel they received good care?)
- Efficiency measures (Did the physician use the most cost effective therapy?)

P4P participants

In Minnesota, mainly primary care specialties (family practice, internal medicine, pediatrics, OG/GYN) are measured under P4P programs. However, there are also measures for orthopedics, behavioral health, and cardiology.

To date, most incentive programs have not focused on other specialty providers, but such programs are beginning to expand their scope. Medicare's Physician Quality Reporting Initiative has always included a broad set of specialty measures.

Data Collection

P4P programs draw heavily on claims or administrative data. However, many other data sources are used, such as self-reported data, MN Community Measurement data sets, direct data submission, chart review, patient registries, and member surveys. Most programs also conduct an in-office chart review to validate submitted data at year-end.

P4P rewards

Most P4P programs reward for reaching a set threshold. Meaning, if physicians reach a defined goal (e.g., 25% of patients optimally managed) they will receive the bonus payment.

Other programs reward for making improvements over last year's performance. This means physicians might receive an incentive if they increased their score over last year's score (e.g., 10% improvement over last year).

Not all P4P programs offer bonuses; another type of program withholds payment. Withhold programs keep a portion of a physician's usual payment to be returned later if targeted goals for performance are achieved in the measurement year.

Five most frequently used measures:

- Optimal Cardiovascular Care
- Optimal Diabetes Care
- Chlamydia screening
- Cervical Cancer Screening
- Breast Cancer Screening

Preparing clinics for P4P

Physicians will need to prepare for expected changes to the current reimbursement system.

Steps towards success might include:

- Integrate quality and safety measures into clinical practice.
- Participate in public reporting or initiate your own data collection project.
- Develop the necessary infrastructure, including robust IT systems, patient registries for groups of patients, and tools for staff to track patient adherence to treatment plans.
- Learn exactly how programs work: what you will be measured on, how the data will be collected, and what methodology will be used.
- Request a complete listing of the quality measures that the program will use to determine your quality rating. Raise concerns if the quality measures are not appropriate to your specialty or the methodology is not statistically valid.
- Make sure your staff properly collects and reports all the information relevant to the measure, this includes training your staff to code carefully and accurately, as most programs are based on claims data.

MMA pay for performance policy

The MMA supports linking financial incentives and performance measurement to promote quality improvement, but believes incentives are just one component of a comprehensive approach to health care reform and quality improvement.

The MMA supports P4P as long as P4P programs:

- Improve the way care is provided and the systems in which care is delivered
- Promote and strengthen the patient-physician partnership and are meaningful to patients and physicians
- Facilitate participation by all types of physicians
- Use credible, reliable, transparent, scientifically valid measures
- Are simplified and efficient

To access the MMA 2007 Report on P4P in Minnesota and the most current list of P4P measures and specifications, please visit the MMA website www.mmaonline.net