



Value Based P4P MY 2016 Total Cost of Care Preliminary Results

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Agenda

- Total Cost of Care measure overview
- Methodology Update
- MY 2016 Total Cost of Care preliminary results
- Next steps: validating & finalizing results
- Questions & answers

Questions? Submit them via the chat function.

Today's webinar will be recorded and posted on <http://www.iha.org/news-events/webinars>

Total Cost of Care Now Available

February 26th report release includes preliminary results for Total Cost of Care reflecting:

- PO measurement year (MY) 2016 results across participating health plans
- A revised and improved methodology

Total Cost of Care Release Timeline	Date
Preliminary Reports Released: IHA posts preliminary MY 2016 TCC reports for PO and Health Plan.	February 26, 2018
Review Period: IHA & IBM Watson work with POs and health plans to address any questions or issues related to TCC results	February 26 – March 16, 2018
Final Reports Released: IHA releases MY 2016 TCC final reports to POs and health plans	March 19, 2018

Total Cost of Care Measure Overview

Value Based P4P Domains

Clinical (60%)

Process and outcomes measures focused on six priority clinical areas

- Cardiovascular (5)
- Diabetes (8)
- Musculoskeletal (1)
- Prevention (10)
- Respiratory (4)

Patient Experience (30%)

Patient ratings of five components, including care overall:

- Communicating with Patients
- Coordinating Care
- Helpful Office Staff
- Overall Rating of Care
- Timely Care and Service

Advancing Care Information (10%)

- 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

Total Cost of Care (TCC) Measure

- **Description:** Total amount paid to any provider to care for all members of a physician organization (PO) for a year
 - Professional, facility (inpatient and outpatient), pharmacy, and ancillary costs
 - Capitation, fee-for-service, member cost share, administrative adjustments
- **Outliers:** Costs for high cost members truncated
- **Risk adjustment:** Concurrent DCG Relative Risk Score adjusts for age, gender, and health status
- **Other adjustments:** CMS Hospital Wage Index derived Geographic Adjustment Fact for geographic input cost differences
- **Exclusions:**
 - Mental health and chemical dependency services
 - Acupuncture and chiropractic services; dental and vision services

Use of TCC Results

- **PAYMENTS** – *TCC Trend results*
 - Value based P4P incentive payments
- **AWARDS** – *Geography & Risk-Adjusted TCC results*
 - Excellence in Healthcare Award
- **PUBLIC REPORTING** – *Geography & Risk-Adjusted TCC results*
 - Office of the Patient’s Advocate’s 2017-2018 Report Card

Total Cost of Care Methodology Update

Methodology Update: Background

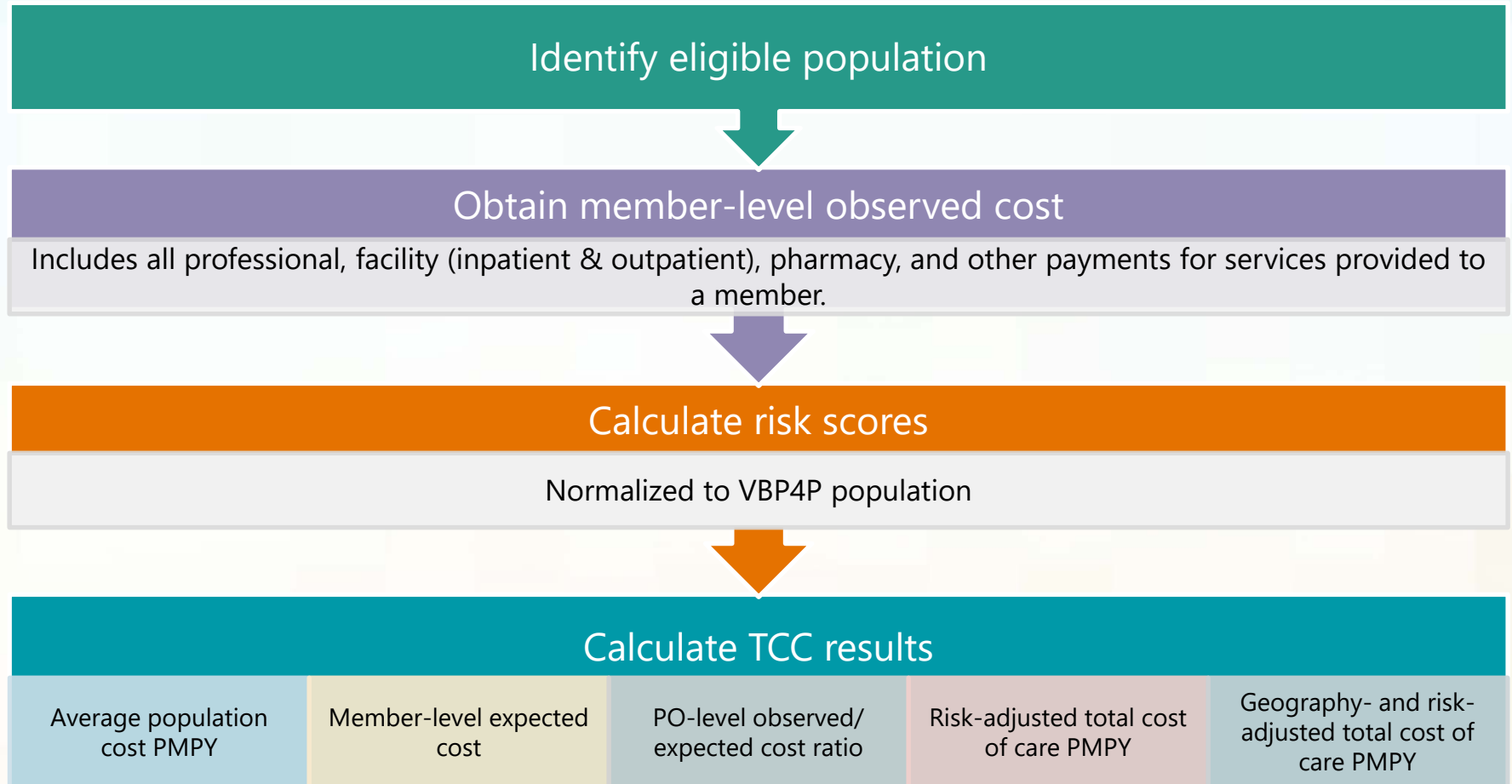
- Plans provided member-level risk arrangements as part of TCC service category testing for first time in MY 2016, which surfaced an uneven distribution of truncated costs by PO risk arrangements
- VBP4P Committees evaluated several options for addressing the issue with input and guidance from technical experts in California and
- Ultimately, VBP4P committee approved updating the truncation methodology to support fairer comparisons across POs

Deliverable	VBP4P Committee Recommendation for MY 2016
Incentive design	Release TCC trend results (using \$100,000 truncation methodology) to participants for incentive purposes only. <i>Status: Final <u>trending</u> results released on 10/9/2017</i>
Awards & Public Reporting	Run and validate results with POs using updated TCC methodology. <i>Status: Preliminary results released on 2/26/2018</i>

Methodology Update: Summary

- **Description:** Total amount paid to any provider to care for all members of a physician organization (PO) for a year
 - Professional, facility (inpatient and outpatient), pharmacy, and ancillary costs
 - Capitation, fee-for-service, member cost share, administrative adjustments
- **Outliers:** Costs above **\$250,000** per member per year truncated
- **Risk adjustment:** Concurrent DCG Relative Risk Score with **\$250k** truncation adjusts for age, gender, and health status
- **Other adjustments:** CMS Hospital Wage Index derived Geographic Adjustment Fact for geographic input cost differences
- **Exclusions:**
 - Mental health and chemical dependency services
 - Acupuncture and chiropractic services; dental and vision services

TCC Methodology Overview



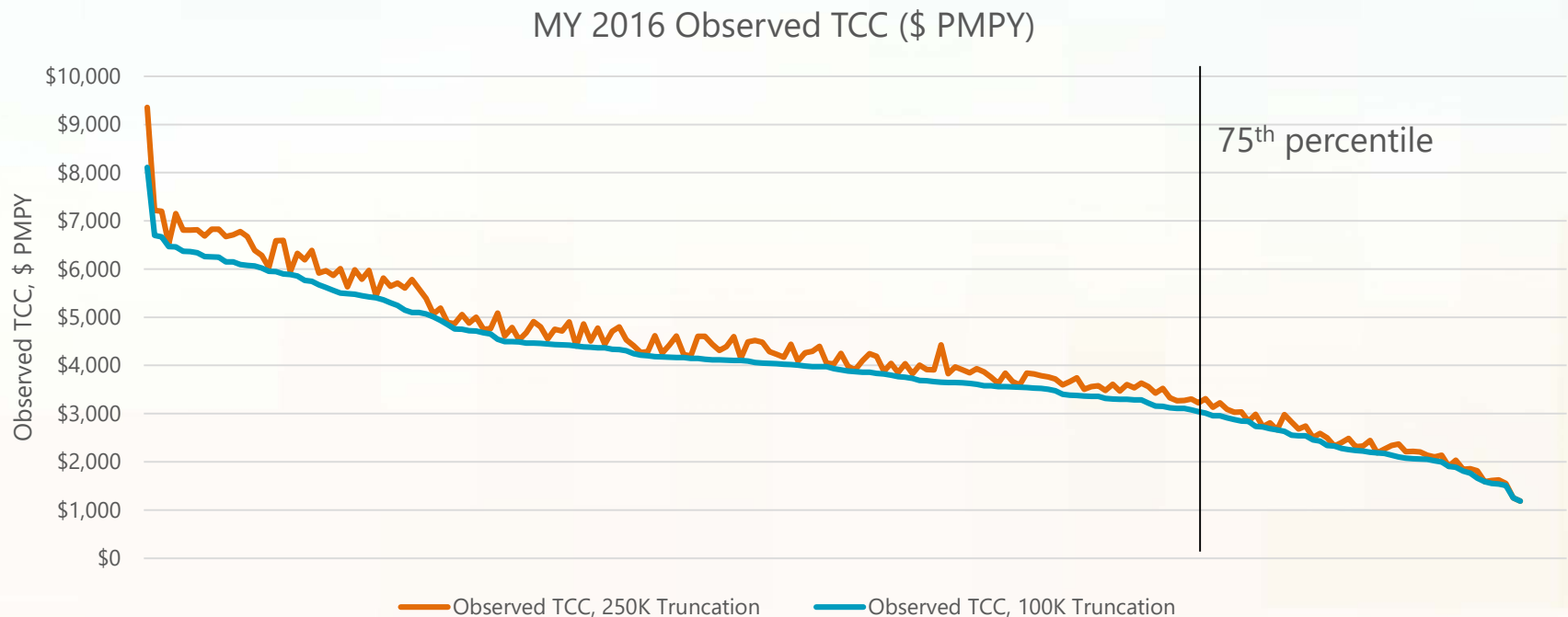
Methodology Update: Implications

1. Increasing the truncation level **increased average observed cost across all POs**
 - Fewer members have annual costs above \$250,000 than \$100,000, so the percent of truncated costs across the VBP4P population decreased from 11.9% to 4.8%
 - As a result the average costs increased—from \$3,994 PMPY to \$4,204 PMPY

Geo- & Risk-Adjust Total Cost of Care	MY 2016 TCC Percentiles					
	10 th	25 th	50 th	75 th	90 th	95 th
\$100K Truncation	\$4,967	\$4,441	\$4,051	\$3,557	\$3,123	\$2,760
\$250K Truncation	\$5,318	\$4,796	\$4,332	\$3,786	\$3,336	\$2,937

Methodology Update: Implications

- While TCC amounts increased, relative PO performance generally remains unchanged
 - For example, a PO at the 75th percentile using the \$100,000 truncation methodology remains at the 75th percentile using the \$250,000 truncation methodology.



Methodology Update: What to Expect

Overall

- An improved methodology that supports fairer comparisons across POs for public reporting and recognition

Your Results

- Costs on a PMPY basis will appear to have increased, but so did the benchmarks
- Risk scores will have changed, especially if you have a sicker population
 - The risk adjustment model was updated to align with the \$250,000 truncation
 - A risk score of 1.0 still reflects VBP4P average member risk
- No change or impact to your TCC trend for MY 2016 or health plan payments
- For vast majority of POs (93%) the methodology will have no impact on star ratings

Additional TCC Development Underway: Planned for MY 2017

- **New baseline for TCC**
 - Update to methodology sets a new baseline for TCC moving forward
- **Transition to standardized specifications**
 - NQF-endorsed HealthPartner's Total Cost of Care (TCOC) measure
- **Network for Regional Healthcare Improvement (NRHI) Participation**
 - IHA selected to be a part of a collaborative to reflect California's experience in measuring cost in a capitated environment
 - VBP4P participants and IHA to influence national discussion around measurement and transparency

Next Steps: Validating & Finalizing Results

Accessing Your Results

- VBP4P Reporting Portal: <https://analytics.iha.org>
 - Your username is your email address
 - Click “Forgot Password” to retrieve lost password
 - Click “Email p4p@iha.org” for questions
- Technical requirements
 - We recommend that you use Google Chrome or Mozilla Firefox to access the Reporting Portal.

Reviewing Your TCC Results

- 3 updated variables to review and validate on the VBP4P Reporting Portal.

IHA PO ▾ MY 2016 ▾ Commercial HMO/POS ▾

Clinical ACI Patient Experience ARU **Cost** Encounters Enrollment

Member Years

Cost

TCC_TREND_OBS \$

TCC_TREND_RISK_ADJ \$

TCC_OBS_250K

TCC_RISK_ADJ_250K

TCC_GEO_RISK_ADJ_250K

Overview Visualizations

Total Cost of Care PMPY (Geography and Risk-Adjusted, 250K)

Lower-is-Better Measure **Preliminary Score**

The average risk- and geography-adjusted costs per member per year for the care provided to a PO's members. To account for geographic variation in input costs, the risk-adjusted costs PMPY (TCC_RISK_ADJ) are divided by the CMS Geographic Adjustment Factor (based on the Hospital Wage Index) for your organization's metropolitan statistical area.

About costs:

- Costs include payments for all covered professional, pharmacy, hospital and ancillary care paid by the health plan or the member.
- Costs exclude payments associated with mental health/chemical dependency, chiropractic, acupuncture, vision or dental services.
- Payments include both capitation payments and fee for service payments.
- Any individual member's annual costs above \$250,000 are truncated (i.e. included, but limited to \$250,000 per member per year).

No data available for this measure.

TCC Review & Questions Period

- TCC results are open for review and questions until **March 16, 2018**.
- Please direct questions to p4p@iha.org
- In your email, please identify 'Total Cost of Care Results Question' in the subject line and be sure to include the following information:
 - Organization name (with DMHC ID if physician organization)
 - Organization contact information
 - Your question/documentation of discrepancy

Office of the Patient Advocate Report Card Preview Period

- IHA supports public reporting of performance results and partners with the California Office of the Patient Advocate (OPA)
- Your or your colleague will be receiving an email from OPA on the preview period – **stay tuned!**

Click on medical group for group's star ratings and information:	MEDICAL GROUP PROVIDES RECOMMENDED CARE 	PATIENTS RATE THEIR MEDICAL GROUP 	AVERAGE PAYMENT BY PATIENT & HEALTH PLAN FOR CARE 
Physician Group A	 GOOD	 EXCELLENT	 LOWER PAYMENT
Physician Group B	 FAIR	 GOOD	 HIGHER PAYMENT
Physician Group C	 POOR	 GOOD	 LOWER PAYMENT
Physician Group D	 EXCELLENT	 GOOD	 LOWEST PAYMENT
Physician Group E	 GOOD	 EXCELLENT	 HIGHER PAYMENT
Physician Group F	Too few patients in sample to report	 GOOD	 HIGHER PAYMENT

Excellence in Healthcare Award

The **Excellence in Healthcare Award** recognizes physician organizations who achieve strong quality and patient experience results while effectively managing costs.



TCC Resources

- For more on Total Cost of Care:
 - [Fact Sheet: Total Cost of Care](#)
 - [Fact Sheet: Value Based Pay for Performance for Physician Groups](#)
 - [Issue Brief: Charting a Course to Value in Physician Group Payment](#)
 - [Public Report Card: Medical Group Report Card for Commercial HMO Plan Members](#)

VBP4P Program Reminders

VBP4P Program Reminders

- National Value-Based Payment and Pay for Performance Summit

February 28 – March 2, 2018 | San Francisco, CA

Including IHA-led sessions about Cost Atlas, Provider Directory Utility and the Commercial ACO Measurement & Benchmarking Initiative

- California Primary Care Association Quality of Care Conference

March 1 – 2, 2018 | Sacramento, CA

Including IHA-led session about Provider Directory Utility & Value Based P4P

- NCQA Public Comment Period - Open through March 13th

- Proposed changes to Controlling High Blood Pressure, All Cause Readmissions

- Proposed new measure: Risk of Chronic Opioid Use

Questions?
p4p@iha.org