

ALIGNING THE PHYSICIAN COMPENSATION WITH ORGANIZATIONAL OBJECTIVES

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Who is HealthCare Partners?

- ❑ Physician Owned & Managed
- ❑ Integrated & Coordinated Delivery Model
- ❑ ≈ 900,000 Patients; 730,000 Under Capitation; 195,000 MA
- ❑ 4 States
 - California: 600,000 Patients – 108,000 MA Patients
 - HCP Florida (JSA) and Nevada: 90,000 – 82,000 MA Patients
 - HCP New Mexico (ABQ Health): 180,000 Patients – 26,000 MA Patients



HealthCare Partners Focus

□ Four Strategic Initiatives

- Clinical Excellence
- Patient Satisfaction
- Technological Support to Clinicians
- Growth

□ Operating Principles

- Global Capitation Predominates
- Physician-Led
- Centrally Coordinated
- Regionally Driven



Global Capitation

- ❑ Maintains clinical/financial accountability for all healthcare needs of a population
- ❑ Manages risk through clinical pathways and analytics
- ❑ **Same day access and UC Centers to reduce ER visits and hospital admissions**
- ❑ **Innovative High Risk and Disease Management Programs**



Three Programs Targeted For Organizational Differentiation

- ❑ Pay For Performance
- ❑ Risk Adjustment of Medicare Capitation Payments (HCC)
- ❑ Medicare Star

All enhance Quality, Reputation, and Revenue

All are Patient Focused

All should result in Aligned Incentives, Physician buy in, and Improved Outcomes



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INDUCEMENT

Impetus

Motivation

Enticement

Bait

INCENTIVE

Stimulus

Inspiration

CATALYST

Influence

Persuasion

Encouragement



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Elements of PCP Compensation Program in Group Model

In addition to competitive base salary,

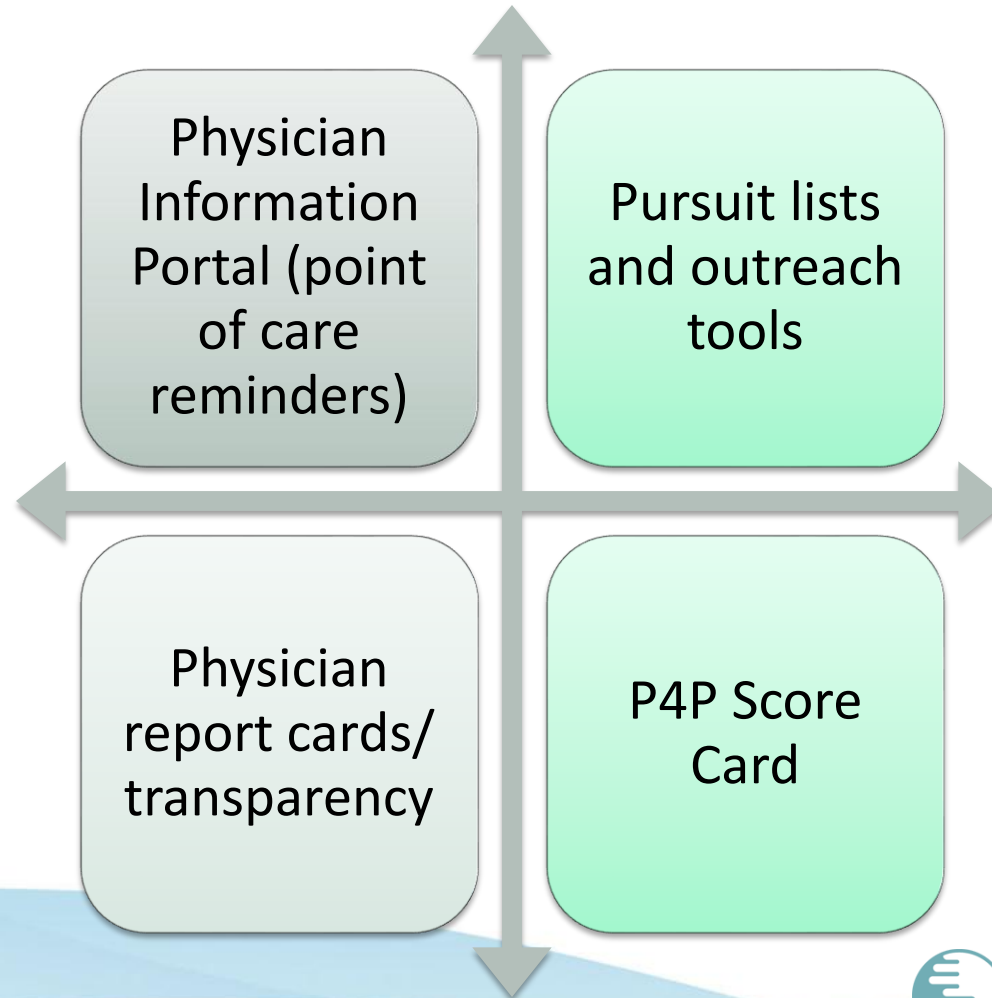
- Patient Satisfaction
- Quality Outcomes
- Managed Care Panel adjusted for Continuity
- Senior Panel Morbidity Credit
- Fee for Service (FFS) Charges
- Other Services, Responsibilities (i.e. Lead Physician, Administrative Time, Hospital Time, Phone Calls, etc.)

PCPs can earn as high as 80% above their Base Compensation



Supporting Our Physicians to Excel

Tools for success



Governmental Reporting

Testing Blood Sugar for Diabetes Patients - Medical Group Ratings - Microsoft Internet Explorer

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Address http://opa.ca.gov/report_card/MedicalGroupmeasure.aspx?Category=IHA&Topic=DiabetesCare&Measure=TestingBloodSugarForDiabetesPatients&County=LOS_ANGELES_TORRAN Go

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Testing Blood Sugar for Diabetes Patients

Los Angeles - Torrance and South Bay
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Testing Blood Sugar for Diabetes Patients
We compared each medical group's patient records to a set of national standards for quality of care.

Look for differences of at least 4%. Smaller differences usually are not significant

(Worse) 0% (Better) 100%

Talbert Medical Group	91%	
HealthCare Partners Medical Group	89%	
Southern California Permanente Medical Group - South Bay/Harbor City	89%	
AltaMed Medical Group	89%	

What Was Measured?
What percentage of medical group members with diabetes had their hemoglobin A1C level checked at least once in the year?


These results are based on patient records from the medical group or HMO.

Why Is It Important?
Keeping your blood sugar from getting too high is key to keeping diabetes under control. High blood sugar damages your heart, eyes, feet, and many other parts of your body. Medical groups that earn high ratings check your blood sugar regularly. They also help you learn to test your blood sugar yourself.

Example of P4P Score Report

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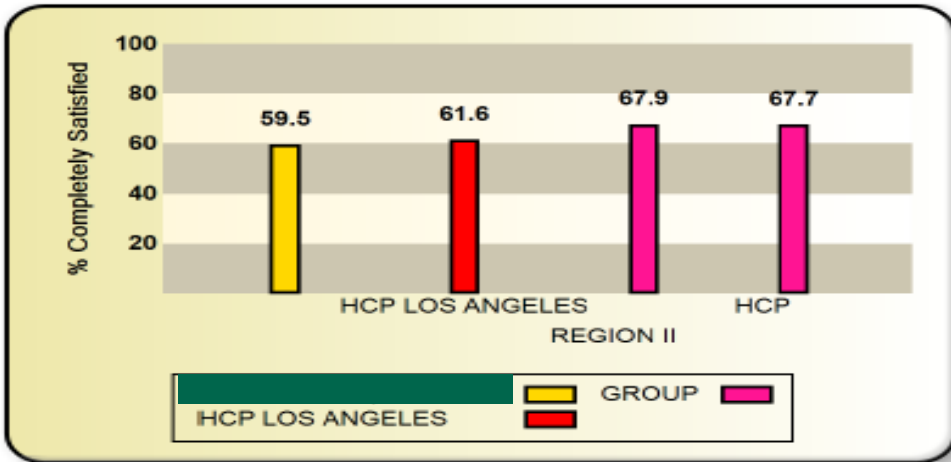
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Org: Group  [Export to Excel](#)

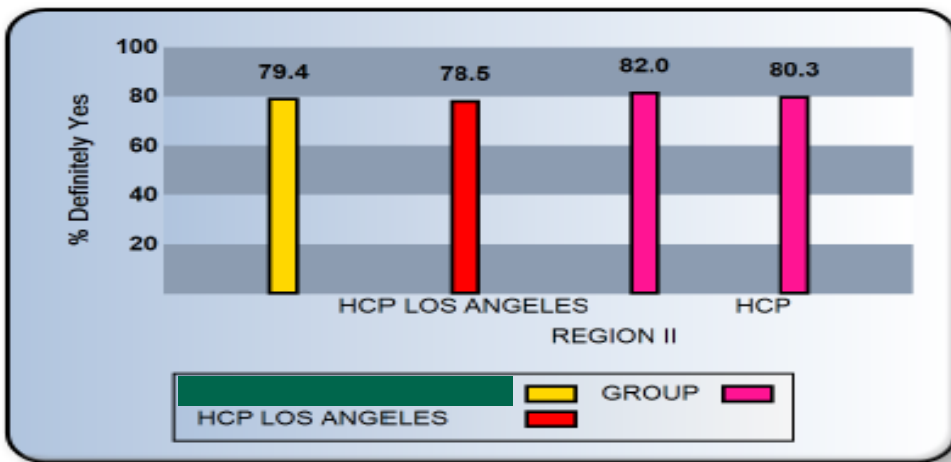
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P4P MEASURE STUDIES	# COMPLETED (NUMERATOR)	# REMAINING	TOTAL # PATIENTS (DENOMINATOR)	P4P SCORE
Adults w/Acute Bronchitis Adults w/Acute Bronchitis (No Antibiotics)	629	303	932	67%
Asthma Asthma (Medication Ratio)	889	384	1273	70%
Childhood Immunization Chicken Pox vaccine	925	59	984	94%
DTaP vaccination	880	104	984	89%
Hepatitis A vaccination	697	287	984	71%
Hepatitis B vaccination	852	132	984	87%
HIB vaccination	958	26	984	97%
IPV vaccination	929	55	984	94%
MMR vaccination	921	63	984	94%
Pneumococcal vaccination	885	99	984	90%
Rotavirus vaccination	774	210	984	79%
Children with Pharyngitis Children with Pharyngitis (Strep Test)	745	104	849	88%
Children with URI Children with URI (No Antibiotics)	3805	210	4015	95%
Cholesterol Management for Cardiac Pts Cardiac Pts LDL < 100	1453	691	2144	68%
Cardiac Pts LDL Test	1956	188	2144	91%
Colorectal Cancer Screening Colorectal Cancer Screening	36428	13384	49812	73%
Comprehensive Diabetes Care Diabetes Blood Pressure < 130/80	6813	10980	17793	38%
Diabetes HbA1c Control	10406	7389	17795	58%
Diabetes HbA1c Test	16098	1697	17795	90%
Diabetes LDL Control < 100	10557	7238	17795	59%
Diabetes LDL Test	15683	2112	17795	88%

Patient Satisfaction: Completely Satisfied with Doctor for 2011Q2



Patient Satisfaction: Recommend Doctor for 2011Q2



[Click here to compare to other PCP\(s\)](#)

		Dr. X	LOS ANGELES	REGION II	HCP	
Eligibility (Aug 2011)	Current MM				684	
	Weighted MM				666	
HCC (2011)	Raf Score				99	
	SPMI %				%	
	Documentation Validation Pass R				%	
	Adults w/Acute Bronchitis				%	
P4P (Sep 2011)	Women Wellness Screening				%	
	Cholesterol Management for Card Pts				%	
	Colorectal Cancer Screening				%	
	Comprehensive Diabetes Care				%	
	Low Back Pain				%	
	Patients on Persistent Meds				%	
	Commercial PMPM (06/2010 - 05/2011)	Primary Care PMPM				62
		Institutional PMPM				42
Specialty PMPM					69	
Senior PMPM (06/2010 - 05/2011)	Primary Care PMPM				57	
	Institutional PMPM				39	
	Specialty PMPM				47	
Pharmacy (Jul 2011)	Generic Percent				%	
PCP Utilization (07/01/2010 - 06/30/2011 (GROUP))	Specialty Referral (Group)				03	
	Emergency Room				02	
Utilization (Sep 2010 - Aug 2011)	Commercial Acute Admits/1000				03	
	Senior Acute Admits/1000				90	

Example of Point – of – Care Reminder

HEALTHCARE PARTNERS

PATIENT INTERVENTION REPORT

REPORT DATE: 4/16/2010

Intervention Type	Description	Suggested Actions
P4P	Comprehensive Diabetes Care	Perform HbA1c Test Perform LDL Test Perform Nephropathy Screening Submit both Blood Pressure CPTII Codes
	Colorectal Cancer Screening	Need CRC screening
	Women Wellness Screening	Need Mammo Screening
HCC	15 Diabetes With Renal Or Peripheral Circulatory Manifestation 250.40 Diabetes W/renal Manif, Type II Or Unspec, Controlled	Needs Coding
	16 Diabetes With Neurologic Or Other Specified Manifestation 250.60 Diabetes W/neuro Manif, Type II Or Unspec, Controlled	Needs Coding



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IPA Compensation

Challenge:

“Buy In” dependent on percent revenue from organization

**What's In It For Me
(WIFM)**

**Breaking down
cultural barriers**

- Educate around the fear

Ease of use



Components of the IPA Compensation Model

Patient Satisfaction

**Pay for Performance quality
measures & HCCs**

EMR Adoption

Utilization of HCP Tools

**PCPs can earn 30% above commercial
Cap & 70% above Senior Cap**

Specialty Payment Models

- ❑ Discount FFS/ Percentage of Medicare
- ❑ Bundled Payment e.g. screening colonoscopy
- ❑ (Sub) Capitation - Commercial, Senior, Blended
 - Region vs. Zip Codes
- ❑ Contact Capitation

All of the above have incentive payments tied to a set of pre-determined measures plus potential bonus payments based on financial success of organization



2012 Specialist Incentive Plan

Quality

- Clinical Measures (P4P) by pod: 15%

Satisfaction

- Patient Satisfaction: 35%
- Peer Satisfaction: 10%

Efficiency

- Pod Efficiency: 15%
- ED
- SR Admits/K
- Commercial Admits/K



Hospitalist Incentive Plan

On top of a competitive base salary,

- Patient and PCP Satisfaction
- 30 Day Readmission Rate
- Admits per Thousand



**“ IN A PERIOD OF ENVIRONMENTAL
CHANGE, IT IS THE ADAPTABALE,
NOT THE WELL-ADAPTED, WHO
SURVIVE.”**

Kenneth Boulding

Thank you!



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