

# Guide to Physician Performance-Based Reimbursement:

Payoffs from Incentives, Clinical Integration  
& Data Sharing



Note: This is an authorized excerpt from *Guide to Physician Performance-Based Reimbursement*. To download the entire report, go to <http://store.hin.com/product.asp?itemid=4155> or call 888-446-3530.

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# **Guide to Physician Performance- Based Reimbursement: Effect of Incentives, Clinical Integration and Data Sharing**

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*This special report is based on a series of 2010 and 2011 Healthcare Intelligence Network (HIN) webinars hosted by Melanie Matthews, HIN executive vice president and chief operating officer. This report is aimed at CEOs, medical directors, wellness professionals, human resources professionals, disease management directors, managers and coordinators, health plan executives, business development executives and strategic planning directors.*

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## Table of Contents

Aligning Physician Incentives for Shared Risk and Reward	
Across the Healthcare Continuum .....	7
Drivers of Low-Value Care .....	8
Calculating Shared Savings.....	9
Defining TCOC .....	10
Reports and Analytics.....	12
Framing the ACO Through Clinical Integration of Independent Physicians.....	15
Advocate’s Vision of CI .....	15
Components of CI.....	16
Pay for Performance Incentives.....	17
Performance Improvement Tools.....	19
Lessons Learned.....	20
Key Success Factors .....	21
CI as ACO Chassis.....	22
Rewarding Primary Care Practice Reform with Physician Payment Reform: A	
Medical Home’s Experience .....	24
Motivations for Medical Home Project.....	24
Payment Reform.....	27
FFS Still Works for Certain Conditions.....	28
Risk-Adjusted Comprehensive Base Pay.....	29
Bonus Payment Model.....	30
Preliminary Findings.....	31
Creating Even Larger Bonus Opportunities .....	33
Improving Physician Performance and Value-Based Reimbursement Levels	
Through Meaningful Data Sharing.....	34
Project Time Line.....	36
Quality Profile and Incentive Payments.....	36
Medical Home Transformation.....	37
NCQA’s Nine Standards of a PCMH.....	38
Team-Based Care .....	39
Challenges and Goals.....	40
Project Evaluation .....	41
Plans for Year Two.....	43
Q&A: Ask the Experts.....	44
Adjusting for Risk in Total Cost of Care .....	44
Physician Response to TCOC.....	44
Handling Withholds.....	44
Determining the Trend Goal .....	45
ASOs and Shared Savings .....	45

Results from TCOC .....	45
Calculating RUI.....	46
Performance Reporting.....	46
ETG Distribution .....	46
Employer Refunds .....	47
EHRs and Evidence-Based Protocols .....	47
More HealthPartners Analytics.....	47
Medical Group's Compensation Model.....	47
Why Payors Should Partner in an ACO.....	48
Quality and Performance Measures .....	48
Focusing on Efficiency Measures.....	48
Exclusive Versus Non-Exclusive Programs.....	49
Responsibility for Tracking Care.....	49
Overcoming Physician Resistance .....	49
Post-Acute Network.....	50
Convincing Payors to Collaborate.....	50
Future Contracting Plans.....	50
Evaluating Current Models of Direct Care .....	51
Behind Physician Motivation .....	51
Moving Specialists into the Medical Home.....	52
Navigating NCQA Accreditation Standards.....	52
Contribution of the Medicare Coordinator.....	53
On Membership Models of Direct Primary Care.....	53
Using Surrogate Measures .....	54
Positioning for ACOs.....	55
Building C-Suite Support for the PCMH .....	55
PCMH Revenue from Improved Efficiencies .....	56
Primary Care-Specialist Collaborations .....	56
Employers and Incentives.....	57
Utilization Measures for the Quality Profile .....	57
Importance of Aggregating Payor Data.....	57
Using EMRs.....	58
Changing Responsibilities in the Practice.....	58
Bringing Together Community and Private Practice .....	59
Attribution Methodology.....	59
Paying TransforMed Fees .....	59
Paper Charts and Pilot Eligibility.....	60
Glossary.....	61
For More Information .....	63
About the Speakers .....	71

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*In tandem with adoption of post-reform care delivery models like the patient-centered medical home (PCMH) and accountable care organization (ACO), healthcare organizations are constructing payment and compensation models that reward physicians for improving population health, the patient experience and per capita cost — approaches that may lure more medical residents back to primary care.*

*This guide explores newly minted reimbursement formulas at two health plans and two independent practice associations (IPAs), providing payor and provider perspectives on the formula development process; clinical, quality and efficiency measures in use; physician incentive payments and program outcomes.*

## Aligning Physician Incentives for Shared Risk and Reward Across the Healthcare Continuum

*Babette Apland is senior vice president of health and care management for HealthPartners.*

**H**ealthPartners® is a regional integrated care and financing system located in Minnesota. (See “For More Information.”) We have about 10,000 employees. Our medical group services about 400,000 patients. We have 700 physicians representing primary care and specialty care and about 35 medical and surgical specialties. We are multi-payor — we accept payment from many health plans, as well as government programs. We also have a hospital, which has a Level I trauma center and urban teaching hospital. We are also a non-profit health plan. We have about 1.5 million members in Minnesota and surrounding states. Another unique feature of HealthPartners is that we are consumer-governed — the boards of directors are members of our health plan and patients of our clinics and are elected by the membership of our health plan. Our mission is to improve the health of our members, our patients and the community.

Triple Aim™ is a term that was developed by the Institute for Health Improvement (IHI) several years ago. (See “For More Information.”) It is also frequently referred to as the three dimensions of high-value healthcare. (See Figure 1 on the next page.) The concept is to drive the healthcare system to simultaneously improve population health, the experience and quality of care for each patient and per capita cost. This Triple Aim is central to the vision of our