



Dr. Dale Andringa, chief medical officer for Wellmark Blue Cross and Blue Shield, hopes the health insurer's pay-for-performance system, Collaboration on Quality, will have at least 1,000 physicians enrolled by year-end. *Photo Submitted*

Healthy Rewards

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If you receive health insurance coverage through Wellmark Blue Cross and Blue Shield, chances are pretty good that your doctor has an added monetary incentive for ensuring that you get all your recommended medical tests and stay healthy.

Through a Wellmark-sponsored pay-for-performance plan that's now wrapping up its first year of operations, more than 400 clinicians in Iowa and South Dakota are eligible to receive rewards of up to \$15,000 per year if they meet all of the guidelines of the program's highest performance levels.

The Collaboration on Quality, which doctors, physicians' assistants and certain other practitioners may enroll in on a voluntary basis, is concentrating its initial efforts on the treatment of patients with high blood pressure and diabetes. However, the program expects to broaden to several dozen procedures in the future.

The key to the program is a cooperative sharing of data by doctors and Wellmark, said Dr. Dale Andringa, Wellmark's chief medical officer. Participating physician groups provide patient data that is entered into a database maintained by a Georgia-based company that Wellmark has contracted with, MDdatacor Inc. Wellmark, in turn, submits its claims data through MDdatacor for physicians to access.

Health insurers have been experimenting with pay-for-performance systems for several years in an effort to find a

better alternative to the present pay-for-services approach, in which doctors are rewarded even if they run up excessive charges for their patients. Insurers hope that the new approach - which emphasizes getting the right tests at the right times and better tracking patients' health - will both provide better health care and lower costs by emphasizing preventive care.

Unlike some pay-for-performance systems that have been initiated in other states, the goal of Wellmark's program is not to establish a rating system that would exclude doctors who do not meet minimum standards from the network, said Joel Hasenwinkel, director of clinical collaboration for the Collaboration on Quality.

"The approach that we're taking is that the most accurate information about a patient exists in the office of the physician," he said. "We'd rather see physicians be rewarded and encouraged to improve their performance rather than having a proprietary system where 'you're in,' and 'you're not in.'"

Physicians who participate can use the system to track data for all of their patients, not just those covered by Wellmark, he said.

Mercy Clinics, one of the largest physician-owned clinic groups in Central Iowa, has participated in the Collaboration on Quality program for the past three years, and is now seeking to expand the number of areas available for incentives. Another large clinic group, Iowa Health Physicians, is within weeks of entering the program, which shares the same emphasis on diabetes and hypertension that the group is targeting.

"They're also agreeing that in 2008, select components of outcomes will be made public, so that data will be available to consumers," Andringa said. "What we're agreeing to do is to pay them awards based on what we consider best-in-class outcomes."

In the public sector, the Centers for Medicare and Medicaid Services is preparing to launch a nationwide test of a pay-for-performance system that would award doctors up to 1.5 percent of their Medicare costs for claims they submit between July 1 and Dec. 31. That voluntary program has been criticized by doctors as difficult to use in comparison with private-sector efforts now under way, however.

UnitedHealth Group Inc., Aetna Inc., Cigna Corp. and WellPoint Inc. are among the major insurers that have launched or are expanding some form of physician quality ranking system. Wellmark, the predominant health insurer in Iowa, appears to be the only major plan offering a pay-for-performance system thus far in Iowa.

	LEVEL 1	LEVEL 2	LEVEL 3
Diabetes care	\$1,500	\$3,750	\$7,500
Hypertension	500	1,250	2,500
Generic drug use	1,000	2,000	5,000
Total	\$3,000	\$7,000	\$15,000

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however. Blue Cross and Blue Shield of Texas recently suspended its plan to introduce a pay-for-performance rating system following negative reaction from the state's doctors, according to a recent article on the Blue Cross Blue Shield Association's Web site. And the Washington State Medical Association last year filed a lawsuit against Regence BlueShield over its pay-for-performance system. The association claims Regence's use of flawed criteria has resulted in more than 500 physicians being excluded from that health-care insurance network.

The key to Wellmark's program, and what makes it different from the Regence plan in Washington, is its sharing of medical information between Wellmark and participating physicians, Andringa said. By doing this, it uses both clinical data, which measures how often procedures or tests were performed, as well as outcomes data that indicates how patients' health improved.

RELATED LINK

Want to know whether your doctor is already enrolled to receive cash incentives through Wellmark's Collaboration on Quality program? Click on the link below to view a list of doctors and clinicians that are participating.

http://www.wellmark.com/e_business/shared/CoQ/ProgramParticipants.pdf

Link will open a new window to a PDF

In contrast with Wellmark's program, which has received little attention nationally, a state-sponsored pay-for-performance program in California is being closely followed as a potential model for the rest of the country. More than 200 physician groups have enrolled in that initiative, known as the Integrated Healthcare Association, which has paid out an estimated \$145 million in incentives to doctors since it began in 2003.

Other programs are meeting resistance from doctors,

The Des Moines-based health insurance company hopes to have at least 1,000 providers enrolled in the program by the end of this year, which would represent about half of the physicians and other clinical caregivers who are enrolled in its two-state network.

Doctors will be paid incentives in three performance tiers, ranging from a \$500 award for reaching the first performance level for hypertension care, to \$7,500 for hitting the third and highest level for diabetes care. Those doctors who reach at least the first performance level in those categories will be eligible to compete for a generic drug utilization award of up to \$5,000. The first tier represents performance that exceeds that of 90 percent of all doctors when compared with nationally accepted standards, while the third tier is about the 99th percentile.

In California, the amount of incentives paid is approaching 10 percent of participating physicians' total compensation, according to some reports. Dr. Mark Purtle, chief medical officer for Iowa Health - Des Moines, said he believes Wellmark's maximum incentives would be equivalent to about 10 percent of the average physician's pay in Iowa.

Andringa said it's possible that at some point Wellmark may offer premium discounts to members for using its most highly rated doctors.

"Right now, that is not something that we're actively pursuing," he said. "But there is no question there is a discussion about that."

When performance results are released next year, they will be made available only on an aggregate level for physician groups, and not for individual doctors, Andringa said. Part of the reason for that is to mitigate the possibility that doctors might choose to drop a patient who is not following medical advice or is otherwise dragging down a physician's rating, he said.

Andringa said the program has already "raised the bar" of care by improving both the number of people receiving recommended tests as well as measures of their medical outcomes. In 2005, for instance, just 18 percent of Wellmark-covered diabetic patients had received all four recommended annual tests; in 2006 that average increased to 23 percent.

The cost of providing the financial incentives will be largely paid for out of the savings generated by participating doctors prescribing lower-cost generic drugs, Hasenwinkel said. Cost savings from the program are expected to not only entirely pay for doctors' awards, but also allow the insurer to lower premiums for its members.

Purtle said Wellmark's program dovetails well with Iowa Health - Des Moines' own drive to improve quality. Between the two Iowa Health-owned groups that will be joining, Iowa Health Physicians and the Partnership for Better Health, up to about 150 clinicians could participate. Additionally, the system will allow doctors to more easily track all aspects of patients' records, saving time and money, he said.

Purtle said he anticipates "a large percentage" of physicians in the two groups will choose to participate, "partly because there's no downside to this," he said. "And it gets to something that all physicians want to know: 'How am I doing?'"

Among doctors' primary concerns, Purtle said, is whether the data is correct and that it accurately connects patients with the primary care provider designated as responsible for their care, even if the patient has several doctors.

In many cases, Hasenwinkel said, doctors who have declined to participate have said they have a conflicting priority, such as changing over to an electronic medical records system.

"Another reason we've heard, though not too often, is that they just don't believe in pay-for-performance models at all and choose not to participate," he said.

In other instances, doctors are concerned that the information gathered will be used in a way that will embarrass them, which is something that Wellmark is working hard to avoid, Andringa said.

Dr. David Swieskowki, vice president for quality with Mercy Clinics, said engaging in the Collaboration on Quality program represented a calculated risk for the physician-owned clinic. Each physician's salary in the group is based on the difference between the revenues and expenses attributable to that physician, just as it would be in an individual private practice.

"Our doctors took a leap of faith to incur these expenses [of implementing the system] as a reduction in their salary with the belief that it would pay off over time," he said. "The awards so far have exceeded the cost of the program to reward the physicians in setting it up."

On a monthly basis, Mercy Clinics tracks about 9,000 patients with diabetes, including non-Wellmark patients, as well as approximately 4,500 Wellmark-covered patients who have hypertension. It's now expanding its database to include cancer-screening tests as well as to track immunizations, with the goal of measuring each for incentives through Wellmark.

Swieskowski said he wasn't as enthusiastic about working with Wellmark when his clinic first began working with the insurer three years ago. But now, "I really appreciate Wellmark's assistance on getting us going on this," he said.

Does he believe that the practice will be able to pass along lower costs to patients eventually?

"If you can prevent people going to the hospital because of heart attacks, that's the savings of this program," Swieskowski said. "I would hope that if we're reducing strokes and hospitalizations, that eventually that will show up as lower health-care costs."

"On the other end, there is a higher cost associated with more visits, more services. So it's really more of a preventive approach. If we get more aggressive about preventive care, we're going to prevent the complications."

Andringa said he's confident the Collaboration on Quality will be successful.

"I think we've put a lot more time and effort into collaboration than we ever have before," he said. "The systems to help us collect data are more sophisticated than they've ever been before. And the fact that there's an overall effort to do this, including Medicare, makes it more likely it's going to happen this time. Will there be glitches? Yes. But I don't think that we'll have to totally abandon the effort like we have in the past."