Transforming Physician Compensation

Overview of the Payment Model

An Introduction for PCPs & Staff

Nov. 4, 2016
Learning Modules in Payment Transformation

- **Understanding the PMPM Band** – how it’s calculated
- **Overview of Payment Model** – four key payment components
- **Patient Attribution** – how to add patients to your panel
- **Performance Measures** – calendar-year measurement period, new measures and reporting. A must-attend for PCPs, staff and billers.
- **Claims Payment** – Report to Provider and how to reconcile accounts under Payment Transformation. Essential for staff and billers.
Agenda

Part I: Understanding the PMPM Band

Part II: Understanding the Model

- Basics of Primary Care Payment Transformation
- Overview of the PCP Primary Care Payment Model
  - Global, Base PMPM
  - Engagement Component
  - Performance Component
  - Total Cost of Care

Part III: Prepare Now for 2017

- Patient Attribution
- Reporting New Performance Measures
- Monthly Payment and Claims
HMSA Vision: Māhie 2020

HMSA will serve as a catalyst to create a sustainable community system that advances the health and well-being goals of consumers, providers, employers, communities, and government.
Reaching Māhie 2020 Requires Transformation

Our current healthcare system:

A fragmented, increasingly unsustainable system that both patients and providers have difficulty navigating.

Māhie 2020: A sustainable community health system that advances the health and well-being of Hawaii

Consumers
Providers
Employers
Government
HMSA
Communities
Payment Transformation Will Address Key Goals

In Pursuit of Māhie 2020 - Maximize Value to Members, Providers, and Employers

- Improve member experience and quality of care → better health and well-being
- Allow doctors to practice medicine the way they think it should be practiced
- Achieve Triple Aim: Access, Cost, and Quality (Health and well-being) → build a new value-based sustainable model of care
A Transformed Primary Care Payment Model – Where We’re Going

Primary Care as the Foundation
A Comprehensive Approach to Payment Transformation

- Increased accountability for quality, cost, access, health
- Effective communication with members, providers, and POs
- More supportive ecosystem of health
- Improved provider satisfaction
- Better data analytics infrastructure
- Growth in MD membership - recruiting / marketing

Payment Transformation will ensure the sustainability of independent providers in a free choice system
Physician Organizations in Pilots

- Began on April 1, 2016 with these Physician Organizations (120 physicians with 108,000+ lives)
  - Castle Health Group (Oahu)
  - Ekahi/Central Medical Clinic (Oahu)
  - Mary Savio Medical Plaza (MSMP) Health Partners (Oahu)
  - Hawaii IPA/Hawaii IPA Maui

- Goals
  - Refine all aspects of the PMPM payment model, including quality measures
  - Assess the impact of sharing peer performance data among providers
  - Measure the effectiveness of a shared patient-provider incentive relating to HbA1c control for patients with diabetes
Feedback from Pilots

- Regular meetings with pilot groups to foster communication and rapid-cycle improvements
- PCPs: April 2016 implementation introduced a lot of change too quickly
  - Global monthly payment – need to better understand Base PMPM components
  - Patient attribution concerns
  - New performance measures and new data on Cozeva
  - Office workflows had to be adjusted
  - Office-generated patient surveys created administrative burdens
Improvements Based on Pilot PCP Feedback

- Provided more information on 2017 PMPM rate sheets to help PCPs understand the impact of the new payment methodology
- Stopped office-generated patient survey after 3 months
- Lowered the age for Children with Special Health Care Needs screener from 21 to 17
- For 2016, reduced the thresholds to 15% Minimum and 30% Target and 7% Baseline for the Well-Being 5 health survey measure for 2016. Replacing Well-Being 5 in 2017.
- Added supplemental reporting for influenza vaccine measure
Physician Organization Options for 2017

- Payment Transformation – “all in” for 2017
  - PCPs join full Payment Transformation pilot mode
  - PCPs move to global monthly payment in 2017
  - Adopt new, calendar-year performance measures and receive advance payment on performance
  - 2 POs and balance of pilot PO likely to start Jan. 1, 2017

- Payment Transformation – “hybrid” for 2017
  - PO contracts for Payment Transformation but implementation is slower
  - PCPs move to global monthly payment in 2017 (starting April or July 2017)
  - Stay on existing Pay for Quality program for 2017 and quarterly quality payment
  - Full adoption of Payment Transformation in 2018
Basics of Primary Care
Payment Transformation
## New Terms in Payment Transformation

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<th>Timing</th>
<th>Detail</th>
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<td>1. Global, bundled payment called Base PMPM</td>
<td>Paid monthly (on or about 15(^{th}) of month)</td>
<td>80% of base PMPM guaranteed; based on PCP’s average FFS payments from 2013-2015</td>
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<td>2. Engagement</td>
<td>Scored annually; paid monthly</td>
<td>20% at risk and affects the following year’s global Base PMPM</td>
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<td>3. Performance (Quality)</td>
<td>Scored annually; paid quarterly</td>
<td>A portion of previous year’s quality earnings advanced each quarter; final settlement the following March (after the end of the performance period)</td>
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<td>4. Total Cost of Care</td>
<td>Scored and paid annually</td>
<td>Contingent on all PO PCPs collectively earning 50% of max on Performance (quality). Paid the following March.</td>
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Eligible PCPs

- Must be HMSA participating primary care provider (PCP) – internist, general practitioner, family practitioner, pediatrician, naturopath, APRN, or Physician Assistant (under supervision of eligible primary care provider), naturopathic physician.
- Be contracted with HMSA’s commercial, QUEST Integration or Akamai Advantage plans
- Must be a member of a Physician Organization (PO) contracted to participate in the Payment Transformation program
Attributed Members

- Members in **HMO plans** and **QUEST Integration** select their PCP upon enrollment
  - **To add HMO and QUEST members:** Patients complete Patient Attestation Forms to validate patient-PCP relationships. Forms are faxed to HMSA Membership to update system and issue member ID cards. PCP shouldn’t add patient to Cozeva, but should use the fax form.

- All other HMSA members are attributed by default to a PCP based on the provider they’ve seen most frequently or most recently, using claims data for the past 16 months, unless PCP has actively added the member to panel on Cozeva
  - **To add PPO or Akamai Advantage members:** Patients complete Patient Attestation form. Retain form for PPO members; fax form to HMSA for Akamai Advantage. PCP can add directly to their panel through Cozeva. The Cozeva changes “trump” enrollment and claims logic.
Claims Filing and Other Processes

- Yes, PCPs will still have to file claims to HMSA
  - Claims are the primary source for performance (quality) data and diagnoses used for risk adjustment

- Some services will continue to be paid FFS:
  - All immunizations (but not administration fees)
  - All claims for BCBSA Federal Employee Plan (FEP) members
  - All claims for QUEST Integration Aged, Blind and Disabled
  - All claims for other Blue Cross and Blue Shield Association members

- Members will continue to have coinsurance/copayments
- Existing precertification and referral policies still need to be followed