

Provider Peer Grouping Monthly Updates

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Katie Burns



What is Provider Peer Grouping?

- **A system for publicly comparing provider performance on cost and quality**
 - ...a uniform method of calculating providers' relative cost of care, defined as a measure of health care spending including resource use and unit prices, and relative quality of care... (M.S. §62U.04, Subd. 2)
 - a combined measure that incorporates both provider risk-adjusted cost of care and quality of care... (M.S. §62U.04, Subd. 3)

What Types of Provider Peer Grouping Needs to be Developed?

1. Total Care

2. Care for Specific Conditions

The commissioner shall develop a peer grouping system for providers based on a combined measure that incorporates **both** provider risk-adjusted cost of care and quality of care, **and** for specific conditions...

(M.S. §62U.04, Subd. 3)

Methodological Update

Physician Clinics Total Care Analysis

- Physician clinic Total Care analysis will include only clinics that provide primary care
 - Primary care only clinics
 - Multispecialty clinics that offer primary care
- In order to fairly compare physician clinics providing different types of services, it is necessary to make an adjustment that accounts for clinics that offer a broader range of services compared to a solely primary care clinic

Strategies for Comparing Physician Clinics

- Specialty care only clinics are not reported in total care analysis
- Only clinics with a certain proportion of primary care providers will be included
- Clinic costs will be adjusted by a primary care index

Building Blocks of Primary Care Index

- 1) Determine what constitutes primary care
- 2) Assess likelihood that individual providers practice primary care
- 3) Create clinic primary care service index based on providers who practice at each clinic
- 4) Adjust costs at clinic level using this primary care index

What Constitutes Primary Care?

- Taxonomy codes identifying certain health care specialties were designated as primary care providers and assigned a primary care value of 1:
 - Certain types of Internal Medicine physicians
 - Most Family Health providers
 - Gerontologists
 - Certain types OB/GYN providers
 - Certain types of Pediatricians
- All other provider type taxonomy codes are not considered primary care and are assigned a primary care value of 0.

Assessing Primary Care Capacity Among Individual Providers and Physician Clinics

- MDH has developed an indicator of the primary care capacity of each clinical provider at each clinic where that provider is registered.
- A unique value is calculated for every provider at every clinic for which he/she is registered from the weighted combination of three factors
 - A provider's self selected taxonomy codes (up to four) in the national NPI registry file (NPPES) which indicate the types of care the provider practices
 - A provider's priority rating for each type of care (i.e., the principal form of care provided or a secondary form of care) also in the NPPES file
 - A provider's priority rating of the clinic practice location (i.e., principal place of practice or a secondary place of practice) in the state licensing file.

Assessing Primary Care Capacity Among Individual Providers and Physician Clinics

- An individual primary care service index (PCSI) value is the weighted average of the type and proportion of care individual providers offer at each registered clinic location.
- A clinic level PCSI value is the weighted average of the individual level primary care scores for all providers on staff at that particular clinic.
- Both individual physician and clinic index values range between 0 through 1 where 0 indicates no primary care capacity and 1 indicates solely primary care capacity.

Taxonomy Priority Rating

- Each taxonomy code is weighted by priority in the Taxonomy history of the provider. The assigned weight depends on:
 - the number of taxonomy codes reported and
 - a provider's self-selected choice of each taxonomy code as principal or secondary practice area.
- Examples:
 - Physician has 1 TC for General Pediatrics....TPR = 1.0
 - Physician has 2 TC. One General Pediatrics and is her Principal TC and One for Adolescent and Childhood Cancers and is a secondary TC. Pediatrics is assigned a TPR value of 0.7 and the Childhood Cancer specialty is assigned a TRP of 0.3.

Clinic Location Priority Rating

- Physicians may be registered at up to 3 clinic locations
- 24% of providers are registered at multiple locations
- For some physicians who practice at multiple locations, Minnesota's physician licensure file indicates a location priority. One clinic may be designated as the principal practice location while the other clinic(s) are deemed as secondary practice locations.

Providers and Physician Clinic Locations

- Based on each provider's number of clinics and the priority ranking of each, a proportion of each provider's time is assigned to each clinic at which s/he is registered.
- Examples:
 - Physician listed at only 1 clinic.....CPR = 1.0
 - Physician listed at 2 clinics with no recorded priority. CPR for both clinics= 0.5 (sum to 1.0)
 - Physician listed at 3 clinics. 1 principal location and 2 secondary. The principal clinic's CPR =0.6 and for both the secondary clinics' CPR=0.2 (sum to 1.0)

Calculating an Individual Provider's Primary Care Score

- At each location at which a provider is registered, an individual provider's primary care score is calculated using the following formula:

$$\Sigma(PCV_{i-j} * TPR_{i-j} * CPR)$$

Where

PCV= Primary Care Value

TPR= Taxonomy Priority Rating

CPR= Clinic Priority Rating

i = first taxonomy code

j = last taxonomy code

Individual Provider Primary Care Scores

- The following table shows the data values and subsequent individual physician primary care scores for three hypothetical physicians who work at the same clinic.

| <u>Provider</u> | Dr. Davis | | Dr. Rogers | | Dr. Thompson | |
|--------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| <u>Data Element</u> | Description | Value / Rating | Description | Value / Rating | Description | Value / Rating |
| Taxonomy Code 1 | Primary Care | 1 | Primary Care | 1 | Specialist | 0 |
| Taxonomy Code 2 | NA | | Specialty | 0 | Primary Care | 1 |
| Taxonomy Code 3 | NA | | NA | | Primary Care | 1 |
| Taxonomy Code 4 | NA | | NA | | NA | |
| Taxonomy 1 Priority | Principal | 1 | Principal | 0.7 | Principal | 0.6 |
| Taxonomy 2 Priority | NA | | Secondary | 0.3 | Secondary | 0.2 |
| Taxonomy 3 Priority | NA | | NA | | Secondary | 0.2 |
| Taxonomy 4 Priority | NA | | NA | | NA | |
| Clinic Priority | Principal (1/1) | 1 | Principal (1/1) | 1 | Principal (1/2) | 0.7 |
| Individual Primary Care Score | 1 | | 0.7 | | 0.28 | |

Calculating Clinic Primary Care Service Index Values

- The Primary Care Service Index (PCSI) value for the clinic is calculated by summing all individual primary care values for staff at a clinic location and dividing by the sum of the clinic priority rating values for providers at that clinic.
- In the hypothetical clinic in the previous example, the sum of the individual provider primary care values is:

$$1 + 0.7 + 0.28 = 1.98$$

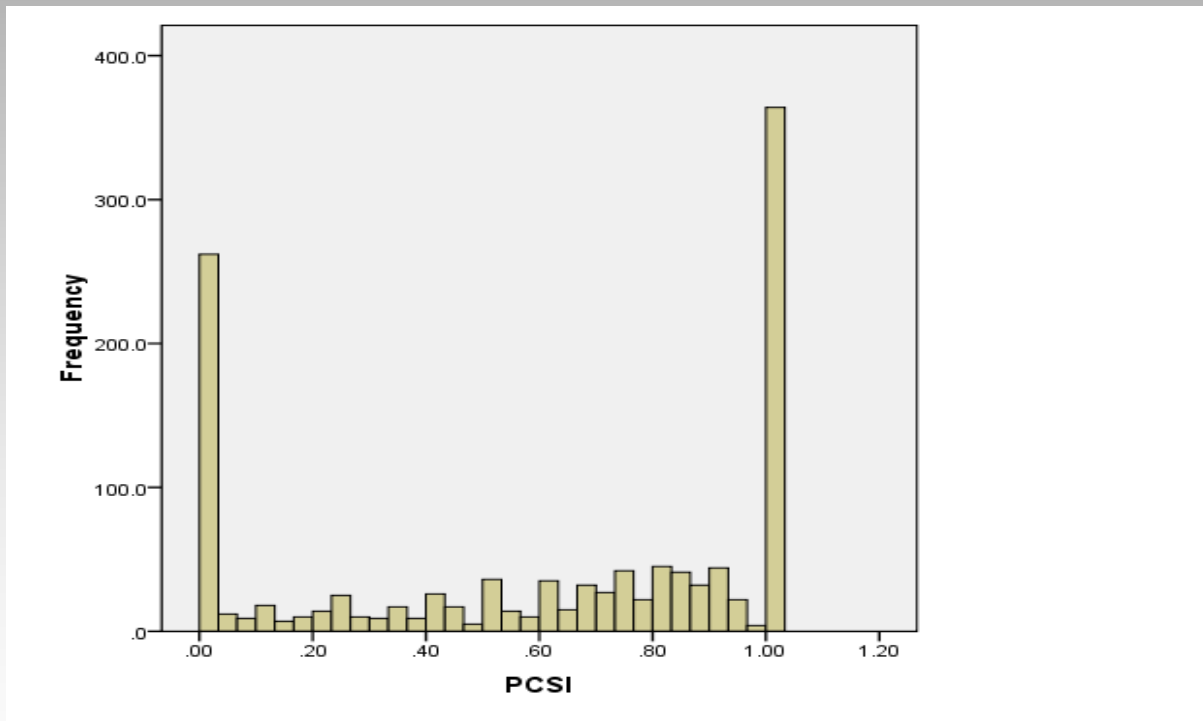
- The sum of the clinic priority ratings (a proxy measure of the FTE providers at that clinic) is:

$$1 + 1 + 0.7 = 2.7$$

- The resulting PCSI Value for this clinic is: $1.98 / 2.7 = 0.73$

Primary Care Service Index Summary Statistics

- Number of clinics with valid PCSI values = 1,139
- State wide average PCSI for all clinics =0.5933



Using the Primary Care Service Index for Service Mix Adjustment

- MDH will use the clinic PCSI score to adjust costs between clinics with different primary care capacity.
- Important considerations of the service mix adjustment:
 - The adjustment uses a ratio approach, weighting the clinic's attributed risk adjusted cost of care by the ratio of the clinic specific PSCI to the state wide average PCSI.
 - Service mix adjustment will occur “on the back end” of the adjustment process taking place after all other forms of risk adjustment have been performed (outliers, clinical/diagnostic differences, payer mix etc.)
- The example on the following slide provides the details of the adjustment method.

Service Mix Adjustment Hypothetical Example

| Clinic | Attributed Patients | Attributed Costs | Clinic PCSI Score | Per Patient Per Year Total Cost of Care | | Service Mix Adjusted Per Patient Per Year Total Cost of Care | |
|-------------------|---------------------|------------------|-------------------|---|-----------------------|--|-----------------------|
| | | | | Dollars | Relative Cost Weight* | Dollars | Relative Cost Weight* |
| A | 250 | \$230,560.00 | 0.6845 | \$922.24 | 0.79 | \$1,064.00 | 0.91 |
| B | 1,000 | \$654,540.00 | 0.9245 | \$654.54 | 0.56 | \$1,019.93 | 0.87 |
| C | 350 | \$545,690.00 | 0.4538 | \$1,559.11 | 1.33 | \$1,192.53 | 1.02 |
| State Wide Values | 4,250,600 | \$4,973,202,000 | 0.5933 | \$1,170.00 | 1.00 | \$1,170.00 | 1.00 |

Service Mix Adjustment Example (Continued)

This slide demonstrates how the annual per patient total cost of care is derived using the PCSI service mix adjuster.

1. The annual per patient total cost of care is determined by dividing the total attributed costs at the clinic BY the total attributed patients at the clinic. For Clinic A, this is equal to $\$230,560 / 250$ or $\$922.24$ per patient per year.
2. Prior to adjustment for service mix, clinics can be compared to other clinics in the state by dividing clinic specific annual per patient costs by the statewide average annual per patient cost. For Clinic A this is equal to $\$922.24 / \1170 or 0.79 (79% of the statewide average per patient annual cost).
3. The annual per patient total cost of care can be adjusted to reflect the clinic's staff capacity for primary care relative to the statewide average primary care capacity. For clinic A, their clinic PCSI is 0.6845, a little higher than the statewide benchmark for all clinics of 0.5933. To adjust costs to reflect the service mix difference multiply the unadjusted annual per patient costs by the Clinic PCSI to Statewide PCSI ratio. For clinic A this is equal to $\$922.24 * (0.6845 / 0.5933) = \$1,064$.
4. Similar to step 2), adjusted Clinic A costs can be compared to other adjusted clinic costs in the state by dividing the adjusted clinic specific annual per patient cost by the statewide average annual per patient cost (note the value is the same adjusted or unadjusted). This equal to $\$1,064 / \$1,170$ or 0.91 (91% of the statewide average per patient annual cost).

Progress Update and New Developments

Claims-Based Quality Measure Development

- MDH is developing 10 new claims-based quality measures in 2011
 - Mathematica Policy Research will develop proposed measure specifications for asthma, heart failure, and total knee replacement measures
 - Measures will be vetted through MN Community Measurement

Measures Under Development

- Asthma (*measures of clinic performance*)
 - Emergency room visits
 - Hospital admissions
 - Hospital readmissions
- Heart Failure (*measures of clinic performance*)
 - Emergency room visits
 - Hospital admissions
 - Hospital readmissions
- Total Knee Replacement (*measures of hospital and clinic performance*)
 - Emergency room visits
 - Hospital readmissions

Stakeholder Involvement

Stakeholder Involvement: Rapid Response Team

- MDH convened this group to provide input on critical issues
 - Approach for specific condition analysis
 - Methodology for attributing patients to providers
 - Benchmarking and determination of peer groups
 - Risk adjustment
 - Design and weighting of individual quality measures into composite quality score
 - Design of composite cost and quality measure

Stakeholder Involvement: Reliability Workgroup

- MDH convened first meeting of this group in December
 - Explored characteristics of reliable data
 - Discussed ways of assessing reliability
- Next meeting will focus on data and options related to hospital analysis early this spring

For more information, see
[www.health.state.mn.us/
healthreform/peer/index.html](http://www.health.state.mn.us/healthreform/peer/index.html)

Next call

Monday, April 11, 2011

7:30 am