

# Provider Peer Grouping Monthly Updates

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# 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)

# Stakeholder Involvement

- Provider Peer Grouping Advisory Group
- Rapid Response Team
- Reliability Workgroup
- Feedback during review period & at public meetings
- Monthly Conference Calls

# Methodological Update:

## Hospital Total Care Analysis

# Hospital Total Care Reports

- On January 10, 2012 MDH hosted a public meeting for hospital representatives at which the following topics were discussed:
  - Modifications to the analysis and methodological progress
  - Hospital specific summary data
  - Payers submitting data for the hospital PPG analysis
  - Public reporting details

# Modification to the Analysis and Methodological Progress

## Cost Composite

- Improved data set
- Corrected grouping software
- Revised managed care claims allocation
- Risk adjustment modifications
  - MDH will seek input from the Rapid Response Team

## Quality Composite

- Topped-out measures handled differently
- Imputation being considered for PPS hospitals with few measures in a sub-domain

# Hospital Specific Summary Data

- On January 9, 2012 MDH provided hospitals with summary data which included the following:
  - Specific Exclusions
  - Discharges by Payer
  - Discharges by Service Type
- On January 10, MDH also laid-out what additional data it would make available to help with data validation. Subject to data suppression, this would include at minimum:
  - Discharge counts and patient demographics by APR-DRG
  - Distributions of costs by APR-DRG

# Public Reporting

- Goal of PPG is to identify high-value providers to inform consumers' health care decision-making
- Health plans and purchasers are directed to use this information in their product design
- Importantly, PPG also has relevance for providers' efforts to improve cost & quality performance

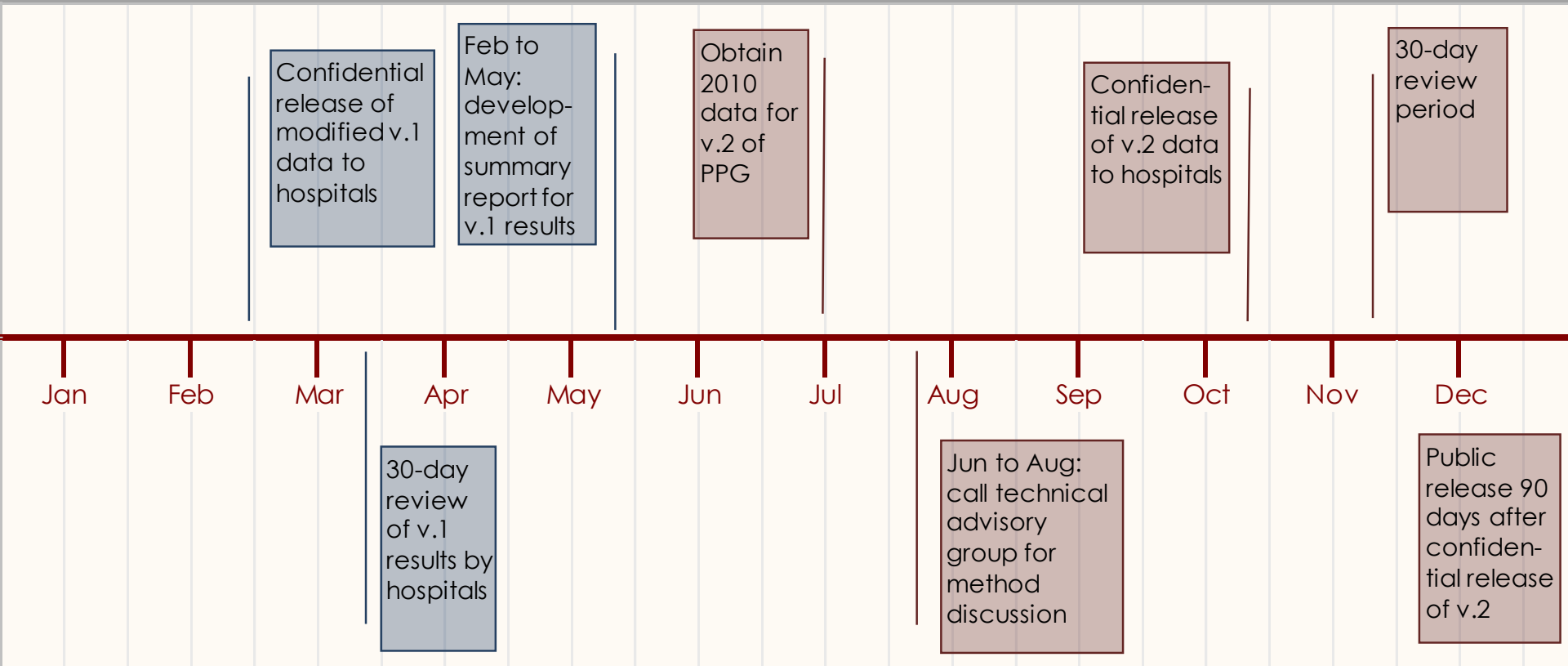
**Agedness of data is becoming an increasing liability to how well PPG can be actionable for consumers**

- In its first release, MDH plans on releasing only *summary results* from the PPG analysis – no hospital will be identified
- Using 2010 data for cost and quality, MDH will publicly release detailed information in late 2012

# Summary Report of PPG v.1 Results

- Summary report will be a narrative discussion of the results for the state overall
  - General trends
  - How results break out by region
  - How results differ by hospital characteristics, such as size
  - Patterns of performance on cost and quality in aggregate that does not identify individual hospitals

# Estimated PPG Timeline



# Public Reporting of PPG v.2 Results

- Hospital Total Care (Version 2) Report Release
  - MDH will be focusing on obtaining 2010 Medicare claims data for the second iteration of Hospital Total Care as soon as possible
  - These reports will not be disseminated before fall of 2012
  - Hospitals will again have an opportunity to confidentially review their results for 30 days
  - During this period, hospitals will also have the opportunity to
    - Request additional information, and
    - In case of concerns over the validity of the data, appeal their report
  - Public reporting of the individual hospital results will not take place before 90 days following the dissemination of the modified reports
- To keep the methodology as robust and as cutting-edge as possible, MDH will call advisory groups for input on certain method aspects

# Progress Update

# Timeline for Physician Clinic Analysis

- This analysis has been under-prioritized while MDH was finalizing the hospital analysis
- Currently, MDH is evaluating ways to restart the clinic analysis with refreshed data
- As with the hospital total care analysis, MDH will not publicly report results by clinic until the analysis can be reported on the basis of more recent and more actionable data.
- MDH will continue to provide more concrete updates on timing in the near future

Additional information on PPG is available online:

[www.health.state.mn.us/healthreform/peer/](http://www.health.state.mn.us/healthreform/peer/)

Information on Minnesota's health care market can also be found online :

[www.health.state.mn.us/healthconomics](http://www.health.state.mn.us/healthconomics)

Questions maybe sent to

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**Next call**

**Monday, February 13, 2012**

**7:30 am**