

BCBSM Physician Group Incentive Program

Vision for PGIP

November 30, 2007



What does the future look like?



- Patient care services will be reimbursed to sustain and reward a primary care model that
 - **Is committed to a defined population**
 - **Achieves consistent delivery of evidence-based recommendations for care**
 - **Promotes health-enhancing lifestyle choices**
 - **Coordinates care across providers**
 - **Achieves overall cost savings**

The economic model



- Pro-active, well-coordinated services delivered within an organized system of care are more generously rewarded than usual care. Fee schedules, steerage, and selective privileging create a positive business case for recognition as a PCMH.
- Recognition as a patient-centered medical home for practices results in:
 - **Significantly higher primary care incomes**
 - **Significantly lower total costs for healthcare benefits**

Patient-Centered Medical Home (PCMH)



- **Primary Care Practices are recognized annually through a process involving the physician organizations and BCBSM**
- **PCMH recognition will be based on**
 - Available metrics for absolute level of performance
 - Performance improvement in cost, quality, and access for the attributed population
 - Recognition for performance transformation efforts

Summary



- **PCMHs are effective in managing total health benefit costs, achieving customer savings and higher incomes for primary care physicians**
- **BCBSM expands the number of services that are payable to PCMHs to reduce the number of value-added non-payable services**
- **PCMHs achieve active steerage of patients through benefit plans that modify out of pocket costs and support informed patient choices**
- **Physician organizations receive significant payments to facilitate infrastructure development, healthcare improvement and recognize superior performance**

Realistically...



- **We can only arrive at this future through active collaboration and shared commitment**
- **The model will only succeed if it achieves cost savings for the customer and higher primary care incomes**
- **Transformational, not incremental, change in primary care practice is needed**
- **Physician organizations are key and need support**
- **Primary Care Physicians need to assert leadership to hold specialists accountable for performance**