

# Fact Sheet

## Physician Group Incentive Program 2011



### Inpatient Utilization Initiative

#### Overview

#### About Value Partnerships

*Value Partnerships is a collection of clinically oriented initiatives among Michigan physicians, hospitals and Blue Cross Blue Shield of Michigan (BCBSM) that are improving clinical quality, reducing complications, controlling cost trends, eliminating errors, and improving health outcomes throughout Michigan.*

#### About The Physician Group Incentive Program

*The Physician Group Incentive Program (PGIP) began in 2005 to encourage and incentivize physicians to more effectively manage populations of patients and build an infrastructure to more robustly measure and monitor care quality. As of August 2010, 37 physician organizations (POs) and over 8,600 physicians are working together to improve health care for more than 1.8 million Michigan Blues members.*

The purpose of the Inpatient Utilization Initiative is to moderate variances in care, reduce waste and unnecessary hospitalizations, and lower health care costs. The Initiative provides POs with BCBSM data on hospital admissions to support the development of interventions to identify and address opportunities for improvement in care management, preventive health, care coordination, and hospitalization.

The Inpatient Utilization Initiative has been re-designed in 2011 to include an expanded inpatient utilization dashboard which provides performance feedback on all hospital admissions (excluding maternity).

#### Objectives

- Reduce unnecessary hospital admissions for PGIP-attributed patients (adults 18-64 and children 0-17)
- Improve care management and preventive health screenings to diagnose and treat diseases appropriately to avoid potential complications that may require hospitalization
- Improve care coordination among health care settings to avoid rehospitalizations

#### Participation Criteria

The Inpatient Utilization Initiative is applicable to all PGIP physician specialties but the metrics will be reported based on a member's care relationship with a primary care physician (PCP). The primary care specialties include General Practice, Family Practice, Internal Medicine, Pediatrics and Geriatric Medicine.



## Incentive Design

For the Inpatient Utilization Initiative, incentives are tied to (i) participation, (ii) submission of an acceptable implementation/action plan that incorporates measurable objectives that address a PO's identified interventions aimed at reducing unnecessary hospitalizations, and (iii) performance and improvement.

The performance payment will be based on risk-adjusted total standard costs compared to the average and benchmark. The improvement payment will be calculated by assessing the improvement in a PO's total standard cost in calendar year 2010 over the baseline year (2009).

## Evaluation

The Inpatient Utilization Initiative evaluation will assess whether the Initiative is successful in leading POs to examine their inpatient utilization data to determine where variance and waste may be contributing to unnecessary hospitalizations, and whether targeted interventions and process improvements developed by the POs can impact inpatient utilization and lower costs. While long-term outcomes are focused on reducing variances in care and inpatient utilization and the costs associated with unnecessary hospitalizations, short-term and intermediate interventions are directed at improving care management and care coordination. It is expected that PO interventions will be designed to stave off unnecessary hospitalizations by keeping members healthy. This may be done in a variety of ways, including promoting preventive health screenings and/or reducing the likelihood of developing complications associated with poorly managed chronic conditions.

Evaluation will be based on available PO information from PO progress reports and performance and improvement data.

## Results

Results for the redesigned Inpatient Utilization Initiative are to be determined and will be reported in future updates.

Questions about the Inpatient Utilization Initiative? Please contact Susan Burns, Health Care Manager, [sburns@bcbsm.com](mailto:sburns@bcbsm.com)



For more information on PGIP, or for a copy of the full initiative plan, please contact: [providerpartnerships@bcbsm.com](mailto:providerpartnerships@bcbsm.com)