



Pay for Performance: Linking Member Outcomes to Value- Based Reimbursement



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Humana



Background



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Reimbursement for Healthcare is Changing

Fee-for-Service



**Value-based
reimbursement**

- Revolves around sick care
- Inefficiencies in care
- Aligning incentives
- Improved care coordination
- Accountability

Objective

Study the link between Value-based arrangement and quality outcomes for Medicare Advantage plans

Humana's Value-based Reimbursement Model



1. Improved care
 - HEDIS Preventive Measure Compliance
2. Improved population health
 - Admission Rate
 - ER Visit Rate
3. Lower healthcare costs

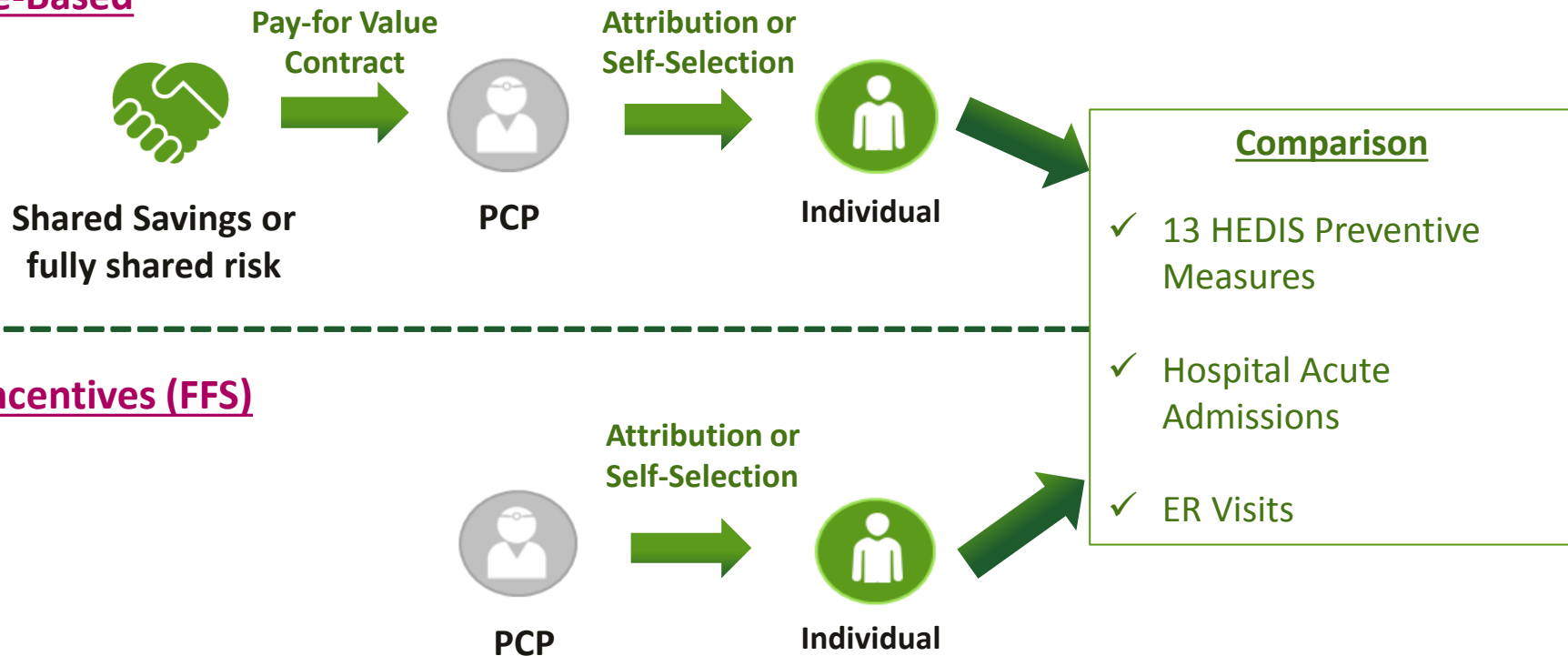
Methods



Humana

Methods

Value-Based



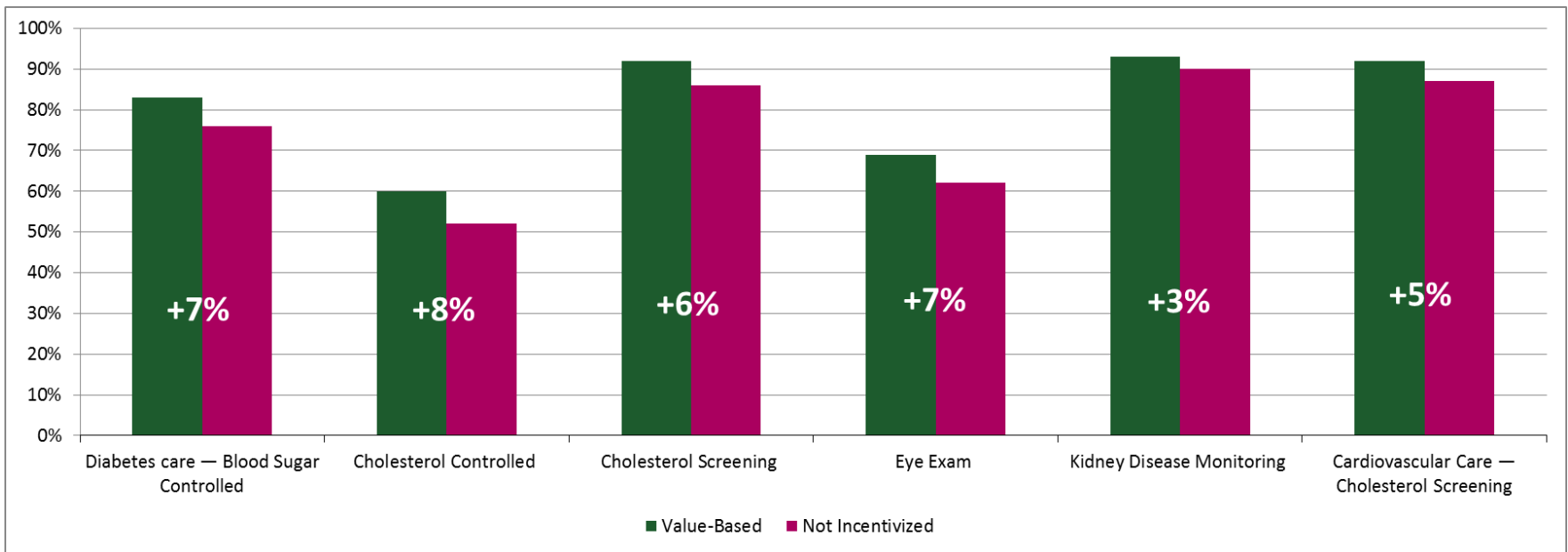
- Comparison is done on a retrospective observational basis
- Individuals tied to PCP based on claims or self-selection

Results

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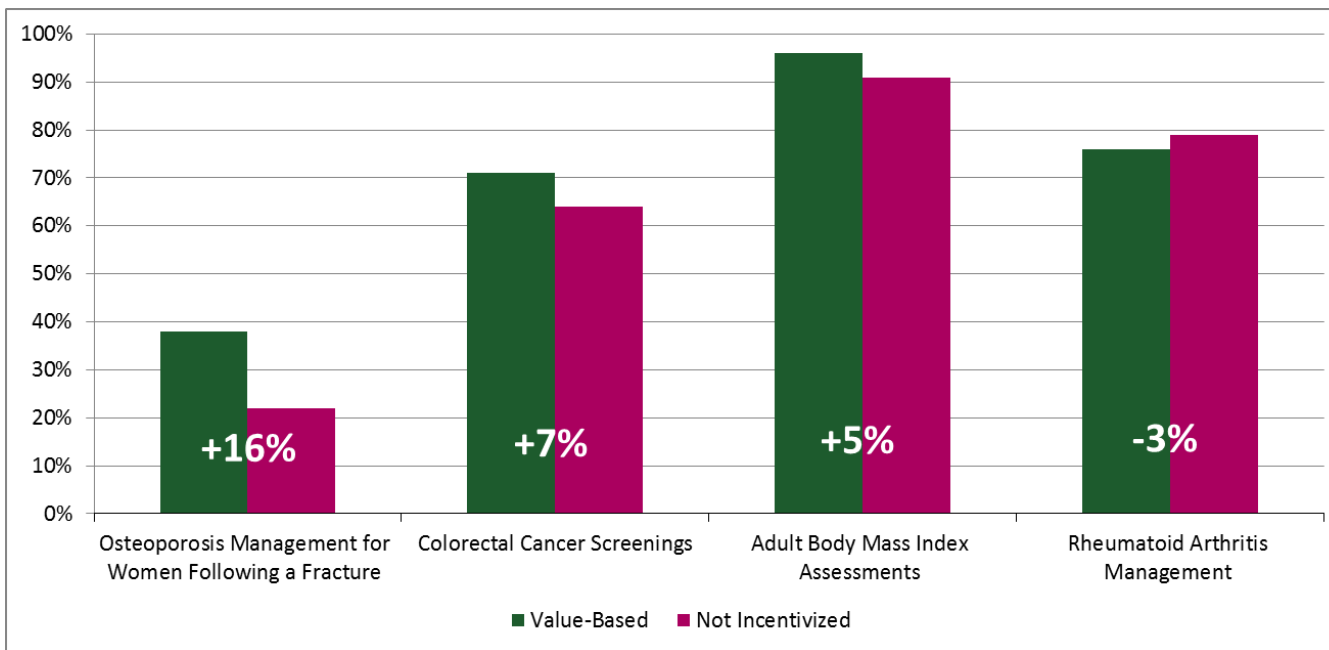
HEDIS Preventive Measure Compliance I

Chronic Condition Management



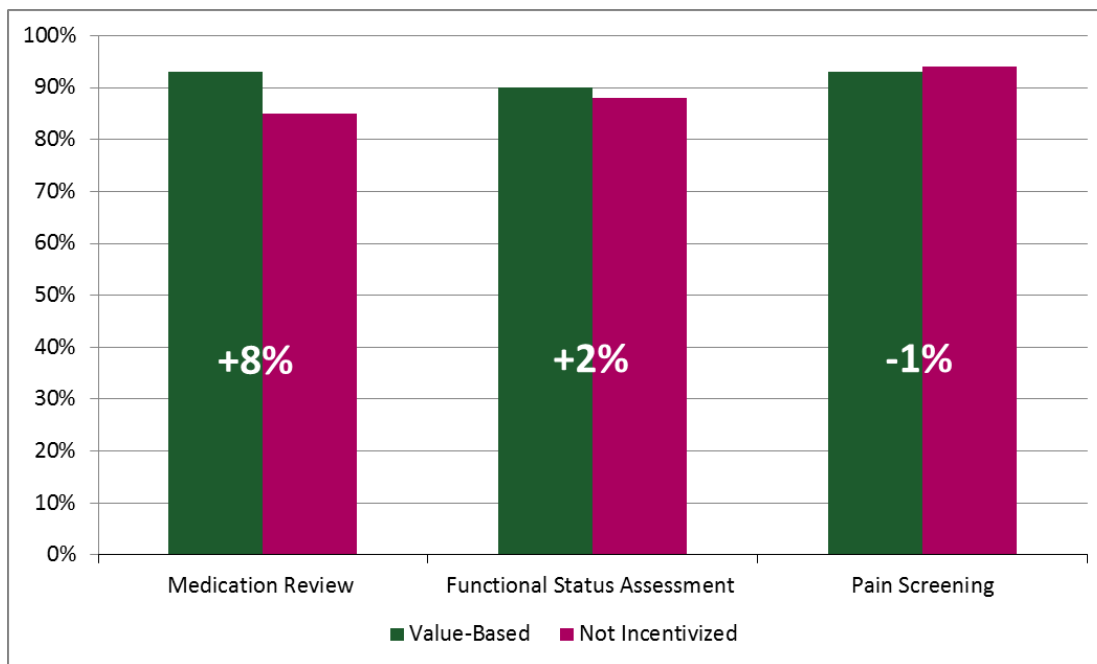
HEDIS Preventive Measure Compliance II

Screening & Monitoring



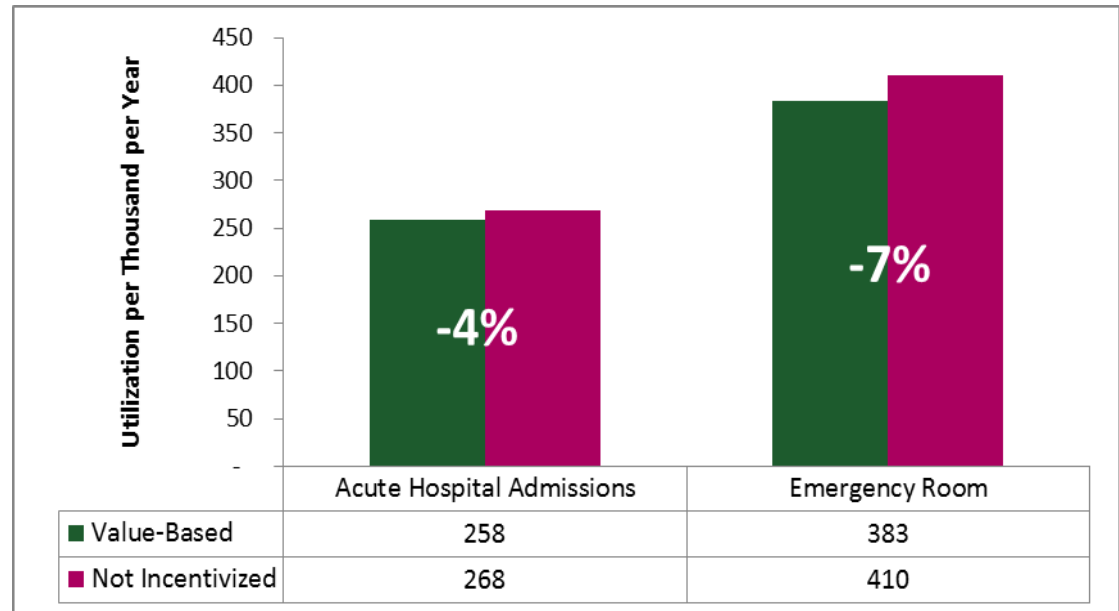
HEDIS Preventive Measure Compliance III

Special Needs Population Care



Hospital Admissions & ER Visits

- Value-based arrangements showed lower hospital admissions and ER visit rates
- Measurement controls for health differences between Value-based and non-incentivized groups*



* Populations normalized for morbidity & geography through matching to Original Medicare on CMS-HCC risk score and state of residence

Conclusions

Limitations

- Study does not control for:
 - Which practices choose to opt in to Value-based relationships
 - Population characteristics other than risk score
- Risk score intended as a financial risk-adjustment measure; efficacy as a utilization morbidity measure needs study

Conclusions

People associated with providers in Value-based relationships had:

- **Improved quality of care**, as evidenced by improved HEDIS compliance rates in 11 out of 13 measures studied
- **Improved population health**, when evaluated on admissions and emergency room visit rates

Thank you!

Appendix

HEDIS Preventive Measure Details

Category	Measure	Compliance Rate Summary			
		Value-Based	Not Incentivized	Difference	Statistical Significance
Chronic Condition Management	<i>Diabetes care — Blood Sugar Controlled</i>	83%	76%	7%	p < 0.01
	<i>Cholesterol Controlled</i>	60%	52%	8%	p < 0.01
	<i>Cholesterol Screening</i>	92%	86%	6%	p < 0.01
	<i>Eye Exam</i>	69%	62%	7%	p < 0.01
	<i>Kidney Disease Monitoring</i>	93%	90%	3%	p = 0.012
	<i>Cardiovascular Care — Cholesterol Screening</i>	92%	87%	5%	p < 0.01
Screening and Monitoring	<i>Osteoporosis Management for Women Following a Fracture</i>	38%	22%	16%	p < 0.01
	<i>Colorectal Cancer Screenings</i>	71%	64%	7%	p < 0.01
	<i>Adult Body Mass Index Assessments</i>	96%	91%	5%	p < 0.01
	<i>Rheumatoid Arthritis Management</i>	76%	79%	-3%	p < 0.01
Special Needs Population care	<i>Medication Review</i>	93%	85%	8%	p < 0.01
	<i>Functional Status Assessment</i>	90%	88%	2%	p < 0.01
	<i>Pain Screening</i>	93%	94%	-1%	p < 0.01
Total (Average)*		78.4%	72.5%	5.9%	

- Average compliance rate weighted on 13 measures based on CMS Stars (plan-quality) weightings
- Statistical significance based on chi-square test at 98% confidence