Comprehensive Payment for Comprehensive Care

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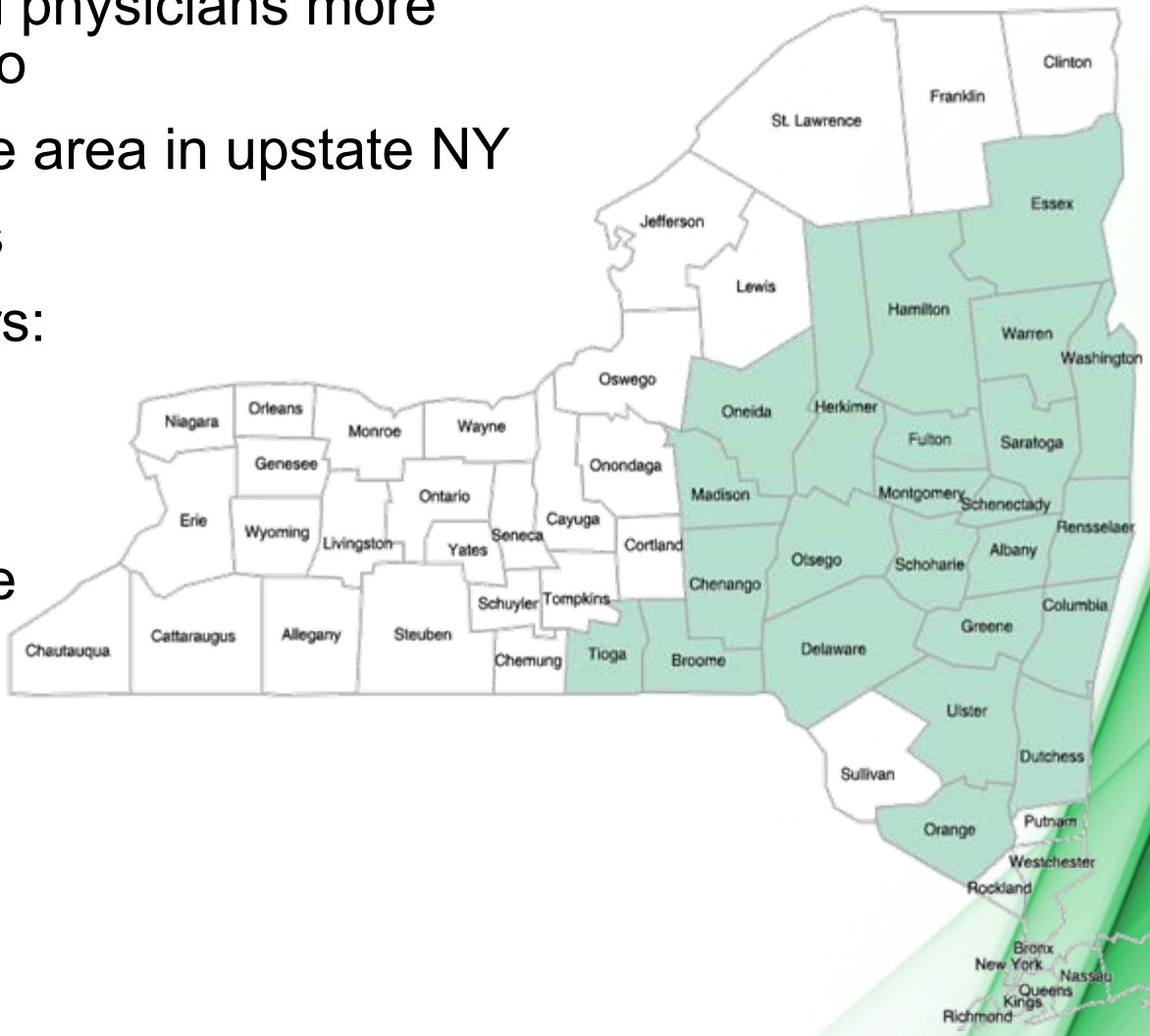
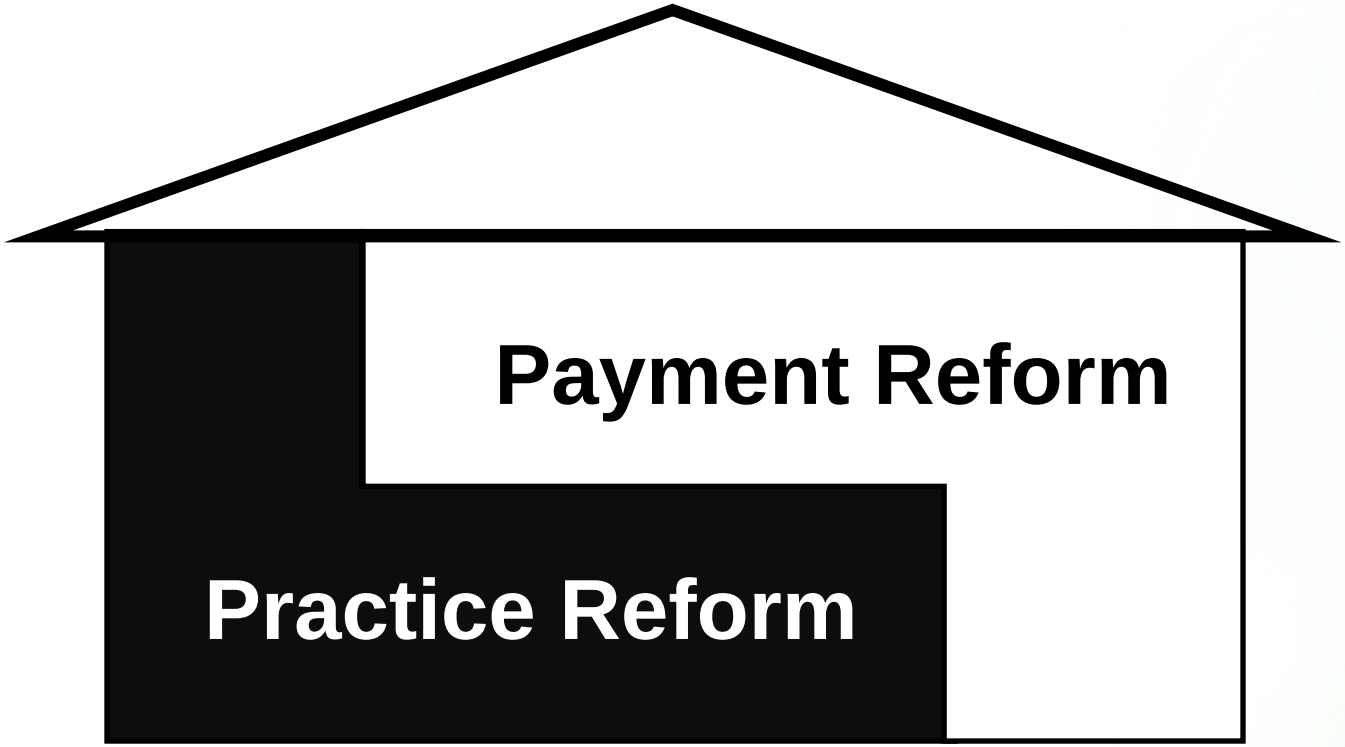
About CDPHP

- Founded by local physicians more than 25 years ago
- 24-county service area in upstate NY
- 1,000 employees
- 400,000 members:
  - Commercial
  - Medicare
  - Medicaid/State Programs



Enhanced Primary Care (EPC) Program History

- Five years ago CDPHP recognized primary care to be in crisis
  - Primary care did not offer a competitive earning potential to attract the interest of graduating medical students
  - Projected shortage of primary care physicians
- CDPHP recognized the need to design a payment model that
  - would support enhanced reimbursement to primary care practices
  - make the practice of primary care more attractive to medical students and practicing physicians


Payment Reform
Practice Reform

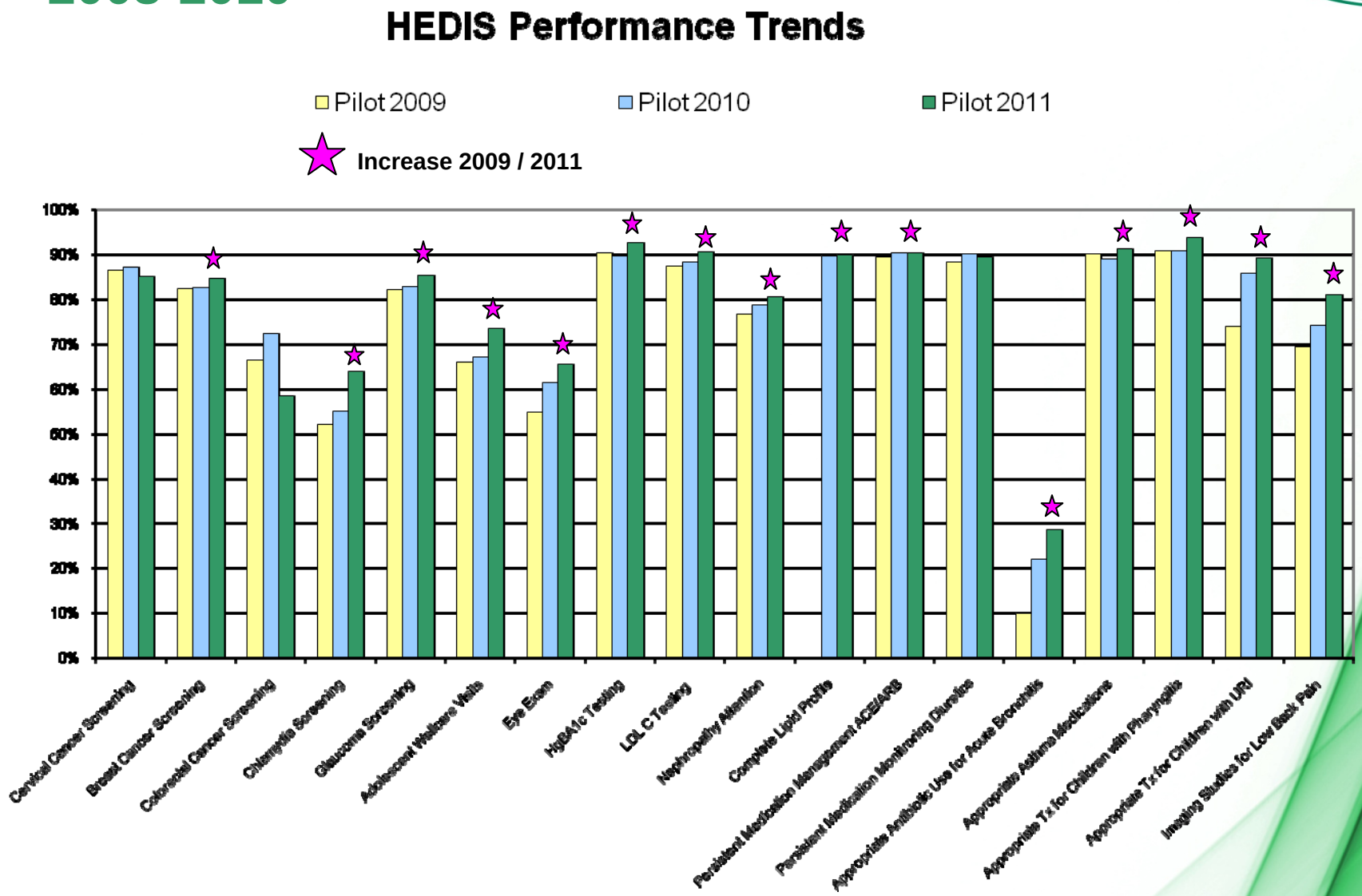
Pilot Practices

- **Latham Medical Group (5,911)**
  - 8.85 physicians; 1 PA
- **Community Care – Schodack (2,330)**
  - 3.75 physicians; 1 NP; 1 PA
- **Capital Care – Clifton Park (3,295)**
  - 3 physicians; 3 NPs

Practice selection criteria:

1. Significant number of CDPHP members
2. Already had EHR installed
3. Physician thought of as leader in the community

Pilot Results 2008-2010



Pilot Results 2008-2010

$8

Risk Adjusted **PMPM savings**

15%*

Risk Adjusted **Admission Reduction**

9%*

Risk Adjusted **ED Visit Reduction**

7%*

Risk Adjusted **Advanced Imaging Reduction**

* *P-value <0.1*

Source: Verisk Health- Arlene Ash, PhD, University of Massachusetts Medical School; Randy Ellis, PhD, Boston University

EPC Payment Model

Base

- Severity adjusted capitation for services directly provided
- Reimburses 23% higher than fee-for-service for codes covered under the capitation

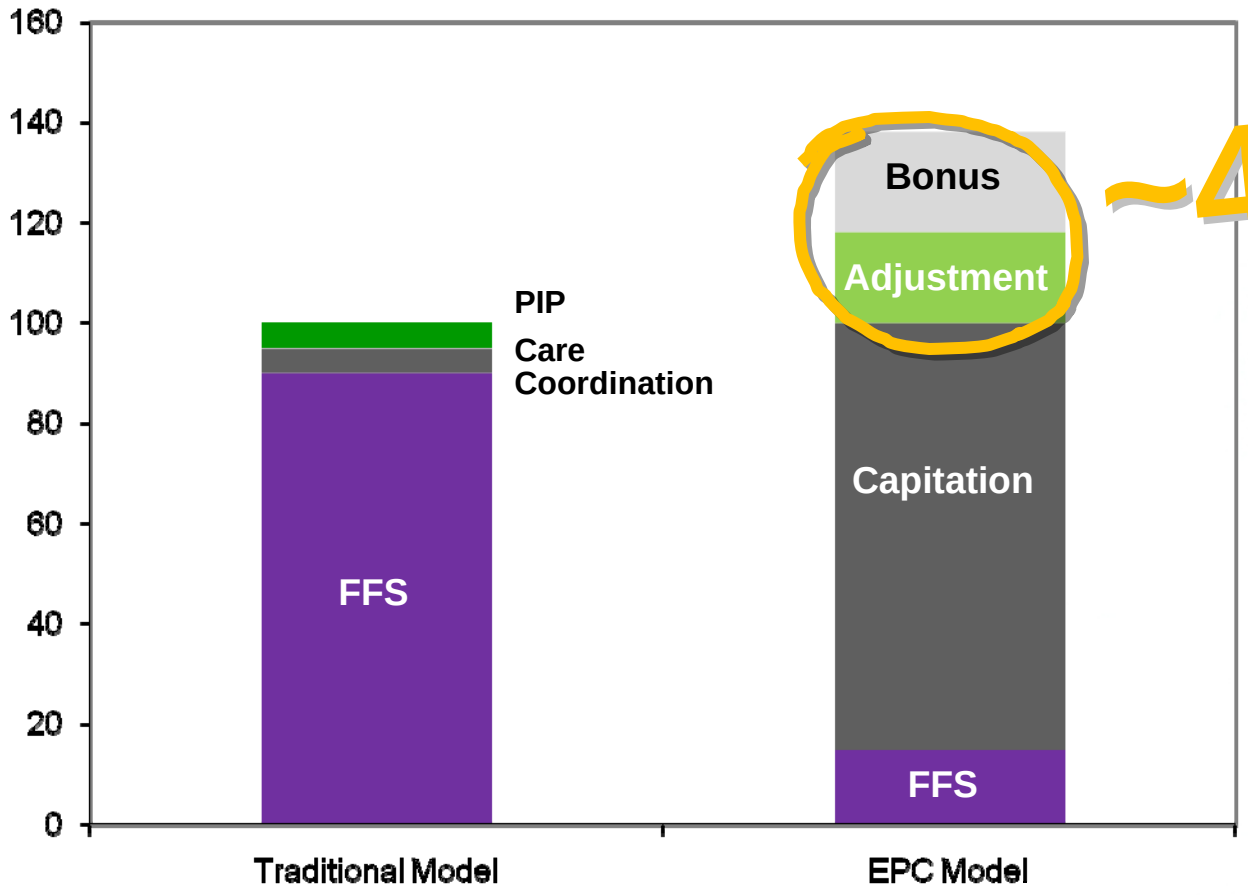
FFS

- Billing codes not covered under capitation
- Patients who are not yet on the capitation roster
- Other: non-cap physician office labs, immunizations, etc.
- Administrative services only (ASO) group members

Bonus

- Triple Aim
- Potential bonus determined by illness burden and number of members
- 1,800 CDPHP members with an average illness burden would fund a potential annual bonus of $115,000

EPC Payment Model



~40%

Payment Model Value Creation

- Pays more for sicker patients to allow more time with them as well as coordinate their care
- Allows for the practice to decide how to best care for certain patients – e.g., doesn't require them to be seen by MD for every service
- Allows practice to develop non-face-to-face visit care models such as telephone, e-visits, or secure email as appropriate
- Supports an "evidence-based medicine" mindset
  - Is each visit or service that is ordered truly necessary?
  - Is there a better way to ensure all needed services are delivered to the population?

The Evolution of the EPC Program

		# Of Practices	# Of Clinicians	# Of Members
Phase I (Pilot)	**2009**	3	30	12,032
Phase II	**2010**	23	149	40,672
Phase III	**2011**	50	230	45,542
Phase IV	**2012**	64	244	67,212
CPCI	**2012**	21	70	15,554
	Total:	**161**	**723**	**181,012**

Future

- Currently 19 practices of the Phase I and II cohorts are in the EPC payment model
- Commonwealth Fund external analysis

  March 2012 - February 2013
- Deployment of CDPHP clinical resources into the practices
- Investments in health information technology
- Analytics to support clinical improvement

Lessons Learned

CHANGE IS REALLY, REALLY HARD!

IT IS JUST THE BEGINNING …

Enhanced Primary Care

The CDPHP® Medical Home

Thank you