Case Study

Web-Based Profiling Drives Performance Improvement for Provider Service Network

In the mid 1990s, the Boston healthcare market experienced significant integration of hospitals and physicians for managed care contracting. The Provider Service Network (PSN) was created during this time and by the end of the decade included 8 hospitals, 725 PCPs and 1,600 specialists, all linked together under risk contracts with major eastern Massachusetts payers.

From the beginning, PSN recognized the need for sophisticated tools to drive success under network-wide risk agreements. Its physician leaders wanted up-to-date, credible utilization data, risk-adjusted for the acuity level of each patient. In addition, they wanted to look at their physicians' performance across all payers in one set of reports, rather than separate reports from each payer.

- ## Enhancing Communication via the Web

In 1998, PSN committed to provide "data-driven tools to support consistent clinical decision-making, manage risk at the local level, and transfer best practices." MedVentive's ***Physician Management Intervention System*** was born.

A data warehouse was built to store, update and analyze monthly pharmacy and medical claims downloads from the local health plans. To support all-payer reporting, the physician ID numbers from each plan were mapped to a single PSN physician ID. Adjustments were made for the different fee schedules of each plan to ensure that payer mix did not skew results.

Then, Diagnostic Cost Groups (DCGs) were implemented to adjust each physician's patient panel for its severity of illness. With the DCG implementation, physicians' common response when presented with such data — "but my patients are sicker" — was adequately addressed for the first time.

In the first year of rollout, the percentage of physicians who were greater than 20 percent more inefficient than their colleagues dropped 5 percent, while the percentage of physicians who were greater than 20 percent more efficient rose 6 percent.

Recognizing the need to disseminate reports efficiently across a broad network, PSN developed a sophisticated suite of reports and graphs within the system's ***Advanced Physicians Analytic Module*** to demonstrate performance across major service categories, both inpatient and outpatient. Drop-down menus within each report allow users to select report time frames, levels of aggregation and comparison groups instantly with just a click of the mouse.

Multi-level security access was then created. Physician leaders and administrators are allowed to view reports on all the groups for which they are responsible. Individual physicians can view only their own data.

Profiling Performance

Efficiency scores for each physician and group are created by comparing their actual utilization to that predicted by DCG score. However, PSN wanted its physicians to not only know how efficient they were but also where their opportunities existed for improvement. To meet this need, an anonymous “best practice group” was made available for comparison in the reports. MedVentive’s PMIS automatically updates reports monthly as claims come in.

Early on, particular attention was paid to PCP patterns of care. Reports showing utilization, expenses and efficiency scores for 14 different service categories were developed, and data from these reports was used to create a series of graphs showing a PCP’s performance compared with his or her group, IPA and the PSN network overall. Bars representing the 10th to 90th percentile range of performance for each service category are built into the reports. As with all MedVentive reports, the data is risk adjusted to address the concern of differing severity of illness in each PCP’s panel. Data aggregation across multiple payers increases the statistical validity of the reports compared with individual payer profiles.

Ensuring Acceptance

Initially, PSN physicians were skeptical of the validity of performance profiles, as their only experience thus far had been with payer reports that did not include risk adjustment and often drew conclusions based on very small amounts of data. Clearly, education regarding the differences between the MedVentive reports and the payer reports would be an important success factor, beginning with promoting an understanding of DCG risk adjustment.

A series of DCG educational seminars for physicians were held prior to the reports going live, and the seminars were videotaped for those who could not attend. PSN leaders personally reviewed the first set of risk-adjusted reports with the physician groups. Reports that drilled down to the individual claim and patient level were often used to support the validity of the risk-adjusted findings.

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Discussion with physician leaders revealed that the reports were typically consistent with their pre-existing view of their physicians’ practice patterns. As one medical director put it, “I finally have objective information to support what I’ve suspected all along.” Thus, physician leaders quickly accepted the validity of the profiles, and PCP acceptance followed soon thereafter.

Partnering for a Successful Future

As a result of PSN’s profiling program, there has been a clear decrease in the number of inefficient practices across the network. In the first year of rollout, the percentage of physicians who were greater than 20 percent more inefficient than their colleagues dropped 5 percent, while the percentage of physicians who were greater than 20 percent more efficient rose 6 percent. These gains in efficiency remain today.

Risk-adjusted profiles from MedVentive remain at the core of PSN members’ strategy for medical management. Local physician leaders continue to use the profiles, which are presented to physicians twice a year. A physician leader summed it up as follows: “The PCP profile is one of the most valuable tools I have in overall utilization management.”