TUFTS HEALTH PLAN
NAVIGATOR™ SPECIALIST METHODOLOGY

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General Overview

Tufts Health Plan's methodology for physician tiering is focused on value, or stated otherwise, the combination of quality and cost-efficiency. Massachusetts physicians were objectively measured for the quality of care they provide and the relative efficiency of that care. Tufts Health Plan will continue with a three-tier approach, which corresponds to three levels of copayments for certain specialists.

This specialist office visit copayment design was developed in support of the Group Insurance Commission's (GIC) Clinical Performance Improvement (CPI) Initiative.

The final 13 selected specialties are:

- Cardiology (non-interventional only)
- Dermatology
- Endocrinology
- Gastroenterology
- Neurology
- Obstetrics & Gynecology
- Ophthalmology
- Orthopedics (including orthopedic hand surgeons)
- Otolaryngology
- Pulmonology
- Rheumatology
- Surgery (General, including vascular surgeons)
- Urology

Physician specialty was determined on the basis of credentialing data submitted to a third party data aggregation vendor by the health plans participating in the GIC.

Clinical Quality Designation Methodology

Note from the Group Insurance Commission (GIC)
In response to concerns expressed by some members of the medical community regarding the lack of sufficient quality measures for certain physician specialties and their oft-repeated concerns that patient compliance varies, the Group Insurance Commission's (GIC) Clinical Performance Improvement (CPI) continues to use an advanced statistical model developed by a leading biostatistician at Johns Hopkins University. The GIC adopted its recommendations to account for the differences among measure difficulty and patient variability.

It is recognized that we are tiering on specialties where we have insufficient quality information at this time. The absence of this quality data means that these specialties will be tiered on cost-efficiency alone. It should be noted that the objective of this project is to measure physician performance on both quality and cost-efficiency, wherever possible.

1st Threshold: Quality with Quality Designation

Resolution Health, Inc. (RHI), the GIC's quality data vendor, has incorporated the methodology and created Quality Designations for all physicians with sufficient data. Physicians are either given an "A", "B", or "C" designation. Physicians with a Quality Designation of "C" were considered below the threshold and were designated as Tier 3.

Physicians who have a Quality Designation of "A" or "B" were moved on to the 2nd threshold, an evaluation that combines both cost-efficiency **and quality**. Physicians with fewer than 30 observations for clinical quality have been given the average quality score and move on to the 2nd threshold.

A quality z-score was created for physicians with a Quality Designation "A" and "B" based on the RHI Adjusted Quality rate. This Quality score was then combined with cost-efficiency in the 2nd Threshold.

Specialties tiered based on cost-efficiency methodology alone due to insufficient quality information:

- Dermatology
- Gastroenterology
- Neurology
- Ophthalmology
- Otolaryngology
- Pulmonology

2nd Threshold: Cost-Efficiency and Quality

The second threshold of evaluation for a physician is based on cost-efficiency and quality.

Cost-Efficiency Methodology

The cost-efficiency score is provided by Mercer Human Resource Consulting (Mercer) in conjunction with their analytics subcontractor ViPS, Inc. (ViPS). These claims data have been casemix-adjusted and combined, by Tufts Health Plan, with the contracted rates used to pay providers who care for Navigator™ members. The cost-efficiency data were derived from medical and pharmacy claims dated January 2007 – December 2009. Only last versions of the claims were included, as were denied claims. Claims were valued at allowed cost. The process for calculating the standardized score is as follows:

- Tufts Health Plan submitted blinded data for the following products: HMO, POS, and PPO for fully insured employer groups, plus those self-insured groups granting permission for limited use of their data.
- The Tufts Health Plan data was combined by ViPS with comparable data from the five other Massachusetts health plans participating with the GIC. ViPS then standardized costs to eliminate the variations caused by differences in fee schedules and benefit plan designs.
- The health plans, including Tufts Health Plan, worked with Mercer and ViPS to link each plan's provider information so that a unique ID and specialty designation were created for all contracted physicians in 30 selected specialties.
- ViPS grouped the claims into episodes using Symmetry's Episode Treatment Group™ (ETG) software, the industry standard for episode classification.

Once the data were grouped:

- Completed episodes of care were assigned to the physician who ordered or provided the largest share of medical and pharmacy expenses within the episode, as long as they reached at least 25% of total costs. Physicians who did not have 30 completed qualifying episodes attributed to them were excluded from the process.
- Episodes were weighted to emphasize care provided in the most recent years; weights were 1.0 for episodes from 2007, 1.25 for episodes from 2008, and 1.5 for episodes from 2009, where the midpoint of the episode duration was used to assign the year.
- Extreme conditions were dropped; these are rare and/or extremely high-cost ETGs such as liver transplants. Also excluded were any ETGs considered to be inappropriate to the specialty (as determined by medical directors from the six health plans).
- All data from "catastrophic" patients were dropped, defined as those patients in the top 1.5th percentile of members by cost.
- Within ETGs, high- and low-cost outlier episodes were excluded. High outliers are defined as those episodes costing more than two standard deviations from the ETG mean. Low outliers were those in the 1st percentile of episodes in the ETG.
- The episodes attributed to the physicians in each specialty were aggregated to create the expected cost per episode for each ETG treated by doctors in that specialty.
- Mercer provided all six participating health plans with the same standardized cost-efficiency score results for each physician, based on the ratio of the physician's actual costs per episode to their expected costs per episode (casemix-adjusted to reflect their mix of conditions treated).

Cost-Efficiency Score Adjustment

The cost-efficiency score provided by Mercer is based on standardized costs, so that it measures variation in the use of services between physicians, but not the actual cost of treating an episode of care for a Navigator™ member. Therefore, the score was then adjusted based on Tufts Health Plan PPO Navigator™ pricing to reflect the actual cost of care for services generally delivered by that physician. Prices for each of these services vary based on the provider, the provider's contracting entity (IPA or IDN), the place of service, and the specific code for the service provided.

Using each provider's contracted rates for Tufts Health Plan PPO Navigator™ services, we created a pricing factor which is applied to the standardized cost-efficiency score, to arrive at the Tufts Health Plan score. As with the quality score, this result is then adjusted to account for sample size variation and translated to a Cost-Efficiency z-score. The result is an overall cost-efficiency score comparing a provider's average cost per episode to peers in his specialty seeing a comparable mix of cases.

Physician Total Score:

A physician's Quality z-score and Cost-Efficiency z-score were given a 50/50 weighting to arrive at a total score ("Total z-score"). Tufts Health Plan used the Total z-score to rank providers into Tier l, Tier 2, and Tier 3. Across each specialty under the GIC plan design, estimated physician distribution is approximately 20% in Tier 1, 65% in Tier 2, and 15% in Tier 3. Physician Tier designation corresponds directly with Navigator™ member copayment level.

Insufficient Data

Physicians with insufficient quality and cost-efficiency data are assigned a Tier 2 level copayment.

Supplemental Measure Quality Methodology

Tufts Health Plan also evaluated the following specialties that do not have a Quality Designation from RHI:

- General Surgery
- Orthopedics
- Urology

Quality:

Tufts Health Plan has elected to supplement quality measures for specialties that had no RHI Quality designation. The following clinical quality measures were utilized to evaluate the specialties noted above.

- **Surgeon Mortality, and Complication Data** from all payer hospital data aggregated by WebMD. This information is based on the Physician hospital affiliation as noted in the Tufts Health Plan systems.
- **Joint Commission (formerly JCAHO) Surgical Care Improvement Project (SCIP) Infection Prevention.** This category of evidence-based measures assesses the overall use of indicated antibiotics for surgical infection prevention. Physician hospital affiliation was used.

Additional Information

Please refer to www.tuftshealthplan.com/providers for a more detailed description of the Symmetry's Episode Treatment Group™ methodology and the list of RHI Clinical Quality measures used in this methodology.