

## How to develop a Pay-forperformance Program: BTE's Spine Care Link

July 31st 2007



## **Agenda & Faculty**

Introduction to incentives and rewards programs:

Francois de Brantes, National Coordinator, Bridges To Excellence

The Back Pain problem for employers:

 Shelly Wolff, Group and Health Care North American Leader, Health and Productivity, Watson Wyatt Worldwide

The Back Pain problem for health care providers:

 Dr. James Weinstein, Chairman, Department of Orthopedic Surgery, Dartmouth Hitchcock Medical Center

The Back Pain problem for measurement experts and actuaries:

Dr. John Williams, Principal, The WDE Group

Putting it all together: The Spine Care Link

Francois de Brantes



## What is being paid for today? Volume!

Payment structures send powerful signals about type of care purchasers want delivered

 Physicians are professionals—but they also respond to incentives

## Current signals

- Want more units of care
- "High-tech" care is most highly valued
- Want less primary care
- Coordination is not valued
  - Each physician should do their own thing
  - Redundant services not a problem
- Quality not important
  - · Payment same for low quality care
  - Mistakes yield more payment



# P4P programs are designed to shift some of the focus from volume to results

- P4P is an attempt to fight against the natural incentive of volume-based medicine, and focus effort on quality of care – but the dollars at stake are often small
- Consumer-directed health plans are an attempt to increase consumer sensitivity to price, and it's working – but consumers still don't have good pricing information to make valid decisions
- Tiered networks are an attempt to minimize the purchasers from bearing all the financial risk of poor quality care – but the measures used are often imprecise



# We've learned some important lessons in P4P

- Incentives work and can lead to practice reengineering, and practices need help to reengineer
- Better quality can cost less, and you need to focus on the right measures
- Self-assessment of performance leads to focused quality improvement, and it's resource-intensive to pull charts
- Employers banding together can create enough critical mass to impact physician behavior, but you need the plans to really make it work (or CMS)



# Back Pain is one of the Leading Causes of Healthcare and Disability Claims

## **Temporary Disability**

Annually affects 3-4% of population

## **Permanent Disability**

Affects 1% of working-age population

Employer Costs for medical care, lost wages, disability and retraining costs range between \$20-50 Billion/year

- Estimated \$75-100 Billion/year total economic impact
- In 2003, the average medical claim associated with LBP was more than \$43,000 according to MostChoice.com
- Annual productivity cost estimated \$28 Billion/year



## **Magnitude of the Problem**

## Population Prevalence

- Approximately 80% of Americans experience LBP during their lifetime
- Growth of LBP has grown 14 times the rate of population growth
- LBP is second only to the common cold as a cause of lost work time for adults under 46-years of age
- 5<sup>th</sup> most common cause for hospitalization
- 3<sup>rd</sup> most common reason to undergo a surgical procedure
  - U.S. rate of surgery is 40% higher than other countries



## Low Back Pain in the Workplace

# LBP accounts for 15-25% of all Workers' Compensation claims/year and 30-40% of costs

During lifetime 1-2% of all workers will file a claim

## Duration and cost of disability

 Small percent of claims (4.6 – 8.82%) account for large percent of disability days (78-90%) and costs (65-85%)

## Rate of recurrent LBP episodes within one year

- 33% require additional care
- 30-50% of recurrent cases will be disabled from work
- Rate of recurrence male to female is 4:1



## **Outcomes and Costs of Acute Low Back Pain**

## Primary providers/chiropractic/orthopedic

- Functional recovery and return to work similar among providers
- Cost of cure highest for chiropractor and orthopedic surgeon
- Cost of cure lowest for primary providers and HMO practitioners

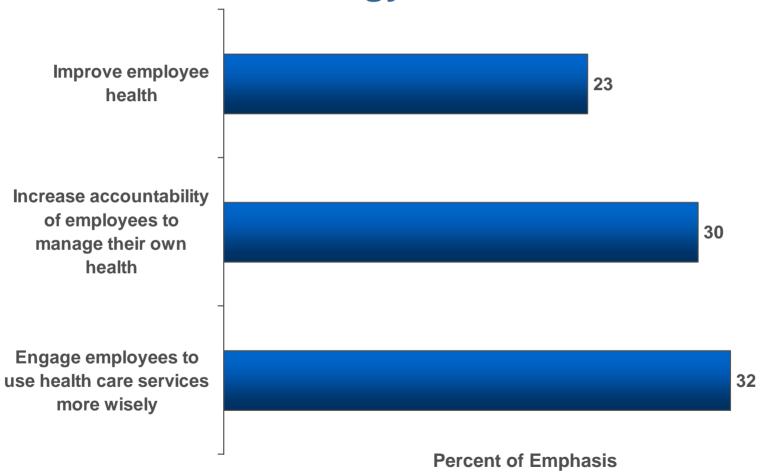
## Degree of satisfaction of care

Highest rating by chiropractors

Patients with back pain are 4x more likely to suffer from depression than the general population



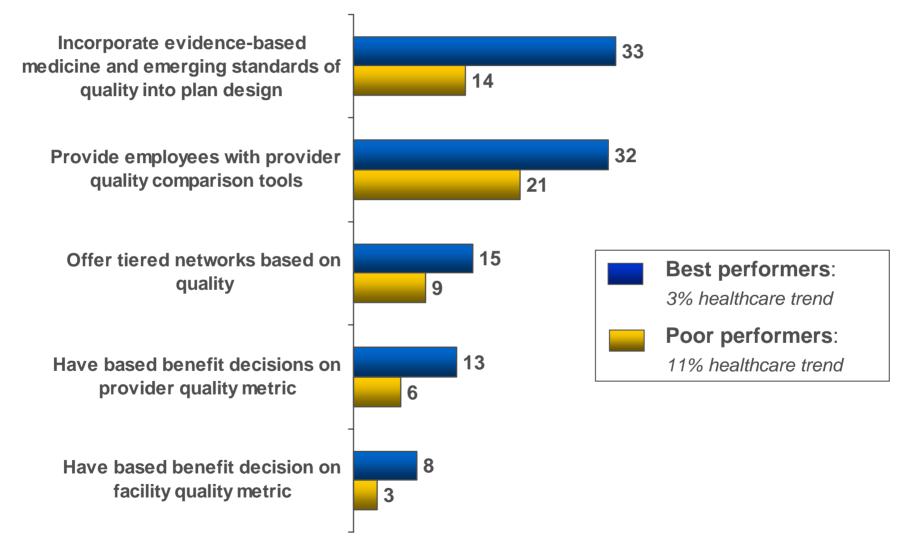
# **Employers Primary Emphases of Health Care Strategy For the Next 2 Years**



Source: Twelfth Annual National Business Group on Health/Watson Wyatt 2007



## Time is Right to Focus on Quality



Source: Twelfth Annual National Business Group on Health/Watson Wyatt 2007



## **Employer Approaches**

### Prevention

- Partnership with worksite safety to promote prevention at home and work
- Address other causes for back pain; obesity, physical activity, stress, psycho-social factors

## Plan design aligned to appropriate use of back surgery through:

- Medical decision support tools
- Participation in best practice treatment
- Choice of best providers

### Active outreach

- Nurse advocate services
- Health coaching
- Behavioral therapy
- Online resources



## **Employer Approaches** (continued)

### Vendors do more

 Identify and promote best practice providers, treatment and cross referrals

## Integrated care

Promote quality across all benefits and government mandated programs

## Early intervention

Triage to multidisciplinary resources based on individual needs

## Decision support tools

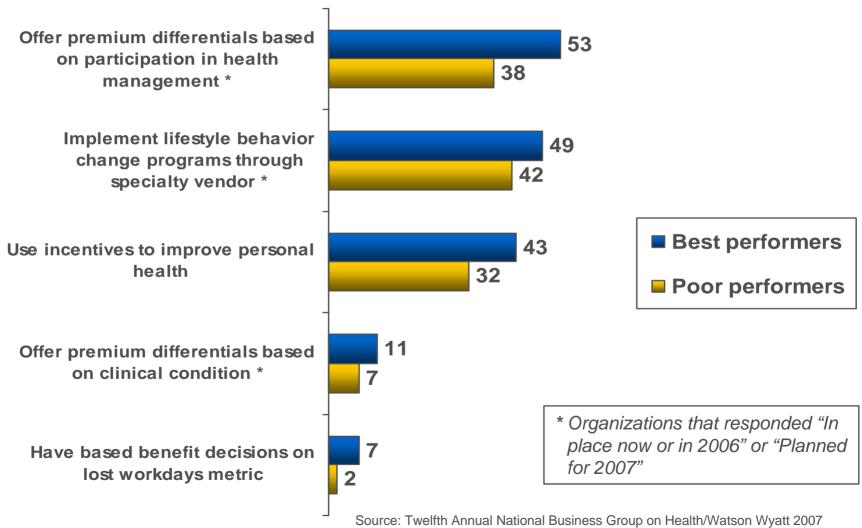
Patients/employees/members; access to experts and information

## Educational programs

 For clinicians to use widely accepted guidelines and understanding of employer support for education and early return to work



# **Best Performers Focus More** on Health Improvement and Productivity





## Health Plans/Boutiques/e-Health Approaches

Aetna InteliHealth subscribes to the HONcode principles

CIGNA Well Aware for Better Health program

CareAllies Disease Management Low Back Pain program

Web based, telephonic coaching and self-help training through health management organizations

- Health Dialogue
- Matria
- WebMD
- EMMI Solutions
- SpinalDesigns
- Others

Participation rates increase proportionately with an increase in an engaged consumer



## Back Paina model for the healthcare dilemma

Every system is designed to get the results it gets

- Who's in charge-multiple providers
- Incentives are not consistent with best practice
- Information sources vary
- Diagnostic Testing
  - MRI / CT / X-RAY /others
- Potpourri of providers and treatments
  - Medications /Injections /Surgeries /Other



## **Back Pain**

### Every system is designed to get the results it gets

No Data

No Accountability ?- not unique

A continuous call for change without deliverables?

Guidelines/clinical pathways

Solutions:

Best Evidence

Episodes of Care

Shared Decision Making (Decision Support)

Health Status Measures

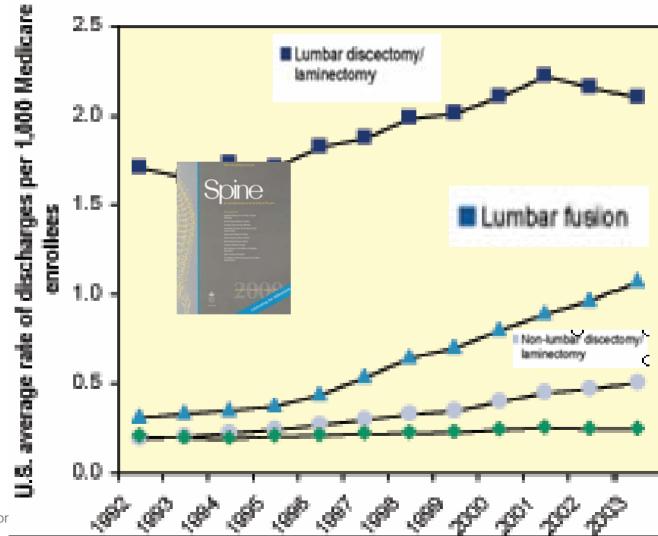
*Imagine* 

"an internet strategy that links you to the best care in the world"



# United States Trends and Regional Variations in Lumbar Spine Surgery: 1992-2003 SPINE NOV. 1, 2006

James N. Weinstein, Jon D. Lurie, Patrick Olson, Kristy Bronner, Elliott Fisher



The Dartmouth Atlas of Musculoskeletal Health Care

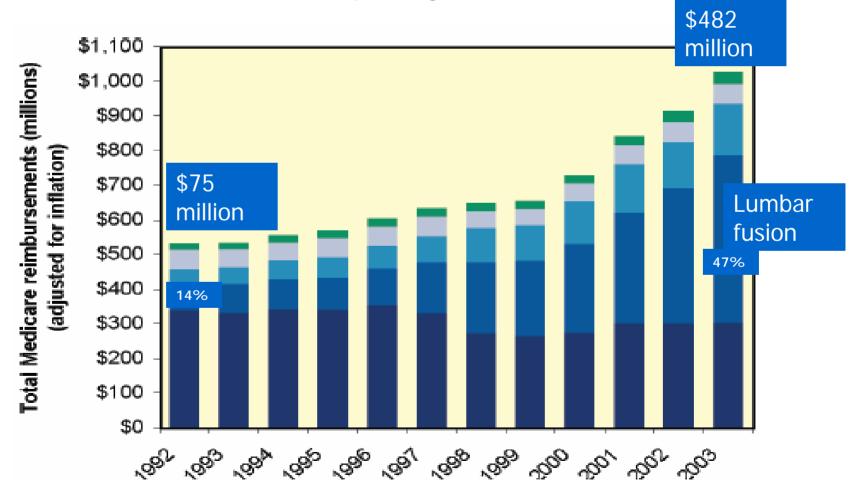
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1992-2003 Spending for lumbar fusion increased more than 500% --- from \$75 million to \$482million.

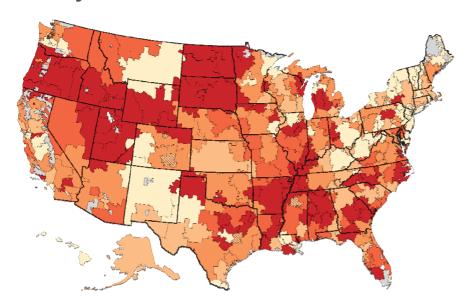
In 1992, lumbar fusion represented 14% of total spending for back surgery; by 2003,

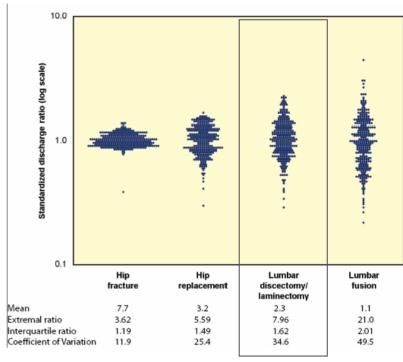
*lumbar fusion accounted for 47% of spending.* 





## Large regional variation in rates of lumbar discectomy -10 fold





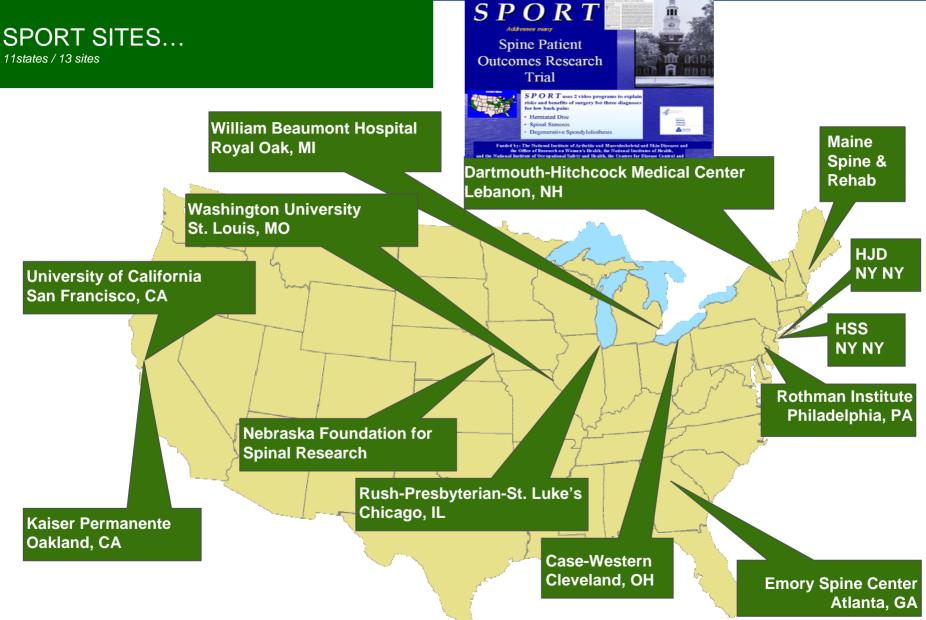
The efficacy of lumbar discectomy remains controversial

## **SPORT Objective:**

To assess the efficacy of <u>surgical</u> versus <u>non-operative</u> treatment for lumbar intervertebral disc herniation















Nov 26 2006

### **Original Contributions**

■ Surgical vs Nonoperative Treatment for Lumbar Disk Herniation: The Spine Patient Outcomes Research Trial (SPORT): A Randomized Trial

Vames N. Weinstein; Tor D. Tosteson; Jon D. Lurie; Anna N. A. Tosteson; Bret 1. Abdu: Alan S. Hilibrand; Scott D. Boden; Richard A. Deyo 3AMA, 2006:296:2441-2450.

ABSTRACT | FULL TEXT | PDF

🕅 Surgical vs Nonoperative Treatment for Lumbar Disk Herniation: The Spir (SPORT) Observational Cohort

James N. Weinstein; Jon D. Lurie; Tor D. Tosteson; Jonathan S. Skinner; Brett Herkowitz; Jeffrey Fischgrund; Frank P. Cammisa; Todd Albert; Richard A. Deyo ₩AMA. 2006:296:2451-2459.

ABSTRACT | FULL TEXT | PDF



The NEW ENGLAND JOURNAL of MEDICINE

ORIGINAL ARTICLE

### Surgical versus Nonsurgical Treatment for Lumbar Degenerative Spondylolisthesis

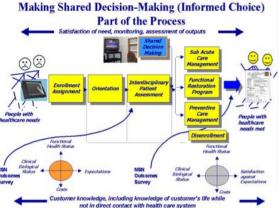
James N. Weinstein, D.O., Jon D. Lurie, M.D., Tor D. Tosteson, Sc.D., Brett Hanscom, M.S., Anna N.A. Tosteson, Sc.D., Emily A. Blood, M.S., Nancy J.O. Birkmeyer, Ph.D., Alan S. Hilibrand, M.D., Harry Herkowitz, M.D., Frank P. Cammisa, M.D., Todd J. Albert, M.D., Sanford E. Ernery, M.D., M.B.A., Lawrence G. Lenke, M.D., William A. Abdu, M.D., Michael Longley, M.D., Thomas J. Errico, M.D., and Serena S. Hu, M.D.\*



## **Conclusions**

- Radiculopathy from lumbar disc herniation has an excellent prognosis
- Evidence for most specific non-operative treatments is lacking but overall patients treated with a variety of modalities aimed at symptomatic relief do extremely well
- On average surgery patients improve faster and do somewhat better out to 2 years



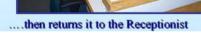


**Touch Pad Technology** 

Moving from paper to virtual data collection in a clinical



**Print Patient Summary Report** 



Share Summary Information With Patient

Patient May Complete the Survey

Standing up...

Or Seated in

the Waiting



Dartmouth reporting system "Value Compass" 'Real-Time' Patient Summary

Reports



## Systems and Processes

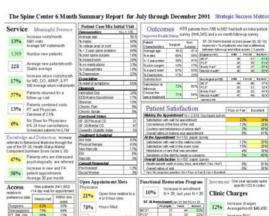
### **Touchpad Data Collection**

A patient completes the survey on the touch pad seated in the waiting area, prior to her appointment.



Patient Summary Report is delivered to exam-room door.









### Cost of Care: Charges for Hea

Charges for Health Care Services

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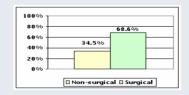
Spine Center at DHMC Things you can do to make your health care safe

### The treatment satisfaction section shows how surgical and non-surgical herniated disc patients felt about the treatments they received. Eighty-six herniated disc patients met the criteria for surgery and were treated surgically and 287 patients were treated non-surgically.

### Improved Condition

This chart shows the percent of herniated disc patients who report that their condition has improved 0 to 3 months after treatment. Eighty-six herniated disc patients were treated surgically and 287 patients were treated non-surgically. These patients came back to the Spine Center for follow-up in 3 months or less.

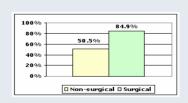
### For this chart, a higher score is better.



#### Choose Same Treatment

This chart shows the percent of herniated disc patients who would choose the same treatment. Eighty-six herniated disc patients were treated surgically and 297 patients were treated non-surgically. These patients came back to the Spine Center for follow-up in 3 months or less.

### For this chart, a higher score is better.



### Relief from Pain

This chart shows the percentage of herniated disc patients who felt relief from pain between their initial visit and a follow-up visit 0 to 3 months after treatment. Eighty-six herniated disc patients were treated surgically and 287 patients were treated non-surgically. These patients came back to the Spine Center for follow-up in 3 months or less.

For this chart, a higher score is better.

10006



# There are 16 measures applicable to MDs/DOs<sup>1</sup>

**Initial Visit** 

Physical Exam

Mental Health Assessment

Appropriate Imaging in Acute Back Pain

Repeat Imaging Studies

Medical Assistance With Smoking Cessation

Advice for Normal Activities

Advice Against Bed Rest

Recommendation for Exercise

Appropriate Use of Epidural

Steroid Injections

Patient Reassessment

Surgical Timing (surgeons

only)

**Shared Decision Making** 

(surgeons only)

Postsurgical Outcomes

(surgeons only)

**Patient Education** 

**Evaluation of Patient** 

Experience



## The NCQA scoring will translate into a "Basic" BTE certification

Clinical Measures/Structural Standards	Criteria	Points
1. Initial Visit	50% of patients in sample	8.0
Physical Exam MUST PASS	50% of patients in sample	9.5
3. Mental Health Assessment	72% of patients in sample	5.0
Appropriate Imaging for Acute Back Pain*	50% of patients in sample	7.5
5. Repeat Imaging Studies*	Data collection only—Will not be scored	No score
Medical Assessment with Smoking Cessation	76% of patients in sample	3.5
7. Advice for Normal Activities	48% of patients in sample	8.5
Advice Against Bed Rest	48% of patients in sample	7.5
Recommendation for Exercise	71% of patients in sample	5.5
10. Appropriate Unit of Epidural Steroid Injections*	10% of patients in sample	6.5
11. Surgical Timing**	5% of patients in sample	8.5
12. Patient Reassessment	25% of patients in sample	5.0
13. Shared Decision Making**	50% of patients in sample	6.5
Structural Standards		
Patient Education	Structural standard	6.5
Post-Surgical Outcomes** MUST PASS	Structural standard	8.5
Evaluation of Patient Experience	Structural standard	3.5
	Total points	100.0
	Points needed for Recognition	40.0

<sup>\*</sup>Overuse: Lower is better



# BTE asked Towers Perrin to perform an actuarial analysis

Measures were split between Appropriate Treatment, Inappropriate Treatment and Outcomes. Inappropriate Treatment are measures of <u>overuse</u>.

The majority of the measures have no rigorous financial savings analyses studies associated to them, but all have clinical studies examining the appropriateness

Actuarial models were developed for a specific subset of measures, focusing on overuse. The other measures have little or no actuarial savings.

Only direct medical costs are included in the analyses – indirect savings such as productivity were purposefully excluded



# The model was built to measure savings from a reduction in unneeded services

Models were attempted for the following metrics:

- Appropriate Use of Epidural Steroid Injections
- Appropriate Imaging for Acute Low Back Pain
- Repeat Imaging Studies
- Post-Surgical Outcomes
- Advice against Bed Rest

Towers Perrin was able to construct actuarial models using a large longitudinal claims database for the first four metrics, despite a general absence of literature addressing their economic effect

For the fifth metric, the absence of definitive linkage between advice against bed rest and clinical outcomes—and the fact that "advice" is not generally codable and therefore not amenable to claims data analysis—made construction of an actuarial model impossible

Although the models could not in every case duplicate the exact specification of the NCQA's back pain care metrics—due to their complexity—most elements of the metrics were replicated



# These two measures are the main focus for BTE this year

Percent of Avoidable Epidural Steriod Injections	65.7%			
Service Category	Annual Claims per 1000	2006 Cost Per Service	2006 Per Member Per Month	2006 Per Back Pain Member Per Month
Total Epidural Steriod Injections	16.3	\$346.55	\$0.47	\$5.88
Epidural Steriod Injections Radicular Pain	5.6	\$346.55	\$0.16	\$2.02
Epidural Steriod Injections Non-Radicular Pain	10.7	\$346.55	\$0.31	\$3.86
Additional cost to system for a 100,000 member population \$370,000				
Percent Inappropriate Imaging	42.0%			
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Service Category	Annual Claims per 1000	2006 Cost Per Service	2006 Per Member Per Month	2006 Per Back Pain Member Per Month
Total 72XXX Images (after exclusions)	74.3	\$197.92	\$1.23	\$15.34
Appropriate (> 30 days from initial diagnosis)	43.1	\$197.92	\$0.71	\$8.90
Inappropriate (< 30 days from initial diagnosis)	31.2	\$197.92	\$0.51	\$6.44

Additional cost to system for a 100,000 member population \$617,000

Source: Experience data in 2003, 2004 and 2005 for 6.8MM, 11.1MM and 11.4MM members



# These additional measures are for future focus

Percent Inappropriate Reimaging	93.6%			
Service Category	Annual Claims per 1000	2006 Cost Per Service	2006 Per Member Per Month	2006 Per Back Pain Member Per Month
Repeat 72XXX Images (after exclusions)	34.9	\$197.92	\$0.58	\$7.20
Appropriate (> year from initial diagnosis)	2.2	\$197.92	\$0.04	\$0.46
Inappropriate (< year from initial diagnosis)	32.7	\$197.92	\$0.54	\$6.74
Additional cost to system for a 100,000 member p	oopulation			\$646,000

Percent of Surgery Patients With Complications	1.9%			
Service Category	Annual Claims per 1000	2006 Cost Per Service	2006 Per Member Per Month	2006 Per Back Pain Member Per Month
With Complications	0.003	\$22,558.01	\$0.006	\$0.08
Without Complications	0.170	\$15,274.97	\$0.216	\$2.71
Excess Complication Cost	0.003	\$7,283.04	\$0.002	\$0.02
Additional cost to system for a 100,000 member population \$2,00				\$2,000

Source: Experience data in 2003, 2004 and 2005 for 6.8MM, 11.1MM and 11.4MM members



## The total potential savings are significant

Service Category	2006 Per Member Per Month	2006 Per Back Pain Member Per Month	2006 Annual Cost for 100,000 Member Population
Inappropriate Epidural Steroid Use	\$0.31	\$3.86	\$370,000
Inappropriate Imaging	\$0.51	\$6.44	\$617,000
Inappropriate Reimaging	\$0.54	\$6.74	\$646,000
Post Surgical Complications	\$0.00	\$0.02	\$2,000
Total	\$1.36	\$17.06	\$1,635,000

- Assuming total medical and prescription drug per member per month for an active population is \$398<sup>1</sup>, reducing the inappropriate epidural use, imaging, repeat imaging, and surgical complications could reduce overall spend by 0.3%
- For a hypothetical physician who only sees patients with back pain, reducing the inappropriate epidural use, imaging, repeat imaging, and surgical complications could reduce the overall healthcare burden \$205 per year per back pain member [\$17.06 multiplied by 12]



# Estimated bonus when Imaging and Epidural use are a "must pass"

Total savings per back pain member per month	\$10.30
Total savings per back pain member per year	\$123.60
Program and other administrative costs	~ \$20.00
Total estimated savings	~ \$100.00

Recommended bonus: \$50 per back pain member per year



## BTE's Spine Care Link program rewards

NCQA's scoring of metrics excludes re-imaging in 2007 (and perhaps 2008)

The base score to achieve recognition is 40, and 29% of physicians in the field test received a passing score

MDs/DOs achieving standard recognition will get "Basic" BTE certification

MDs/DOs that can pass the imaging and epidural measures, and achieve a total score greater than 50, will get "Intermediate" BTE certification



# Recommended incentives for the Spine Care Link

## Basic BTE certification Fee schedule increase Provider directory "star" Inclusion in mid to upper tier of tiered network Intermediate BTE certification Yearly per patient bonus of up to \$50 Fee schedule increase Provider directory "stars" Inclusion in upper tier of tiered network



## **Next Steps for employers**

- Talk to your health plans about implementing rewards for BTE's Spine Care Link
- 2. Think about potential changes to your disability plan to encourage employees to seek out certified physicians
- 3. Design and implement a robust internal communications plan with employees about the evidence on back pain treatment
- 4. Think about other areas where "demand management" (focusing on employee behavior) and "supply management" (focusing on changing provider behavior) go hand in hand