

## Commercial Managed Care

**Thesis:** Comprehensive health care reform is not achievable without extensive commercial managed care reform.

### **Fairness in Contracting**

- SB 79 is the first of its kind in the country and a start to restoring balance and fairness to health plan/physician power imbalance
  - An educational campaign is scheduled for the fall

### **Physician Concerns**

- Physicians' top concerns: Colorado and nationally:
  - Lack of negotiating power
  - Reimbursement issues
  - Administrative hassles
  - Pay for performance (Cost and Efficiency Rating Systems)

### **Division of Insurance – United/PacifiCare Merger**

- DOI has a legal order on United HealthCare that requires:
  - Creation of a Colorado Physician Advisory Council with an independent ombudsman to improve communications
  - Monitoring of specific service metrics
  - Ongoing training of customer service personnel

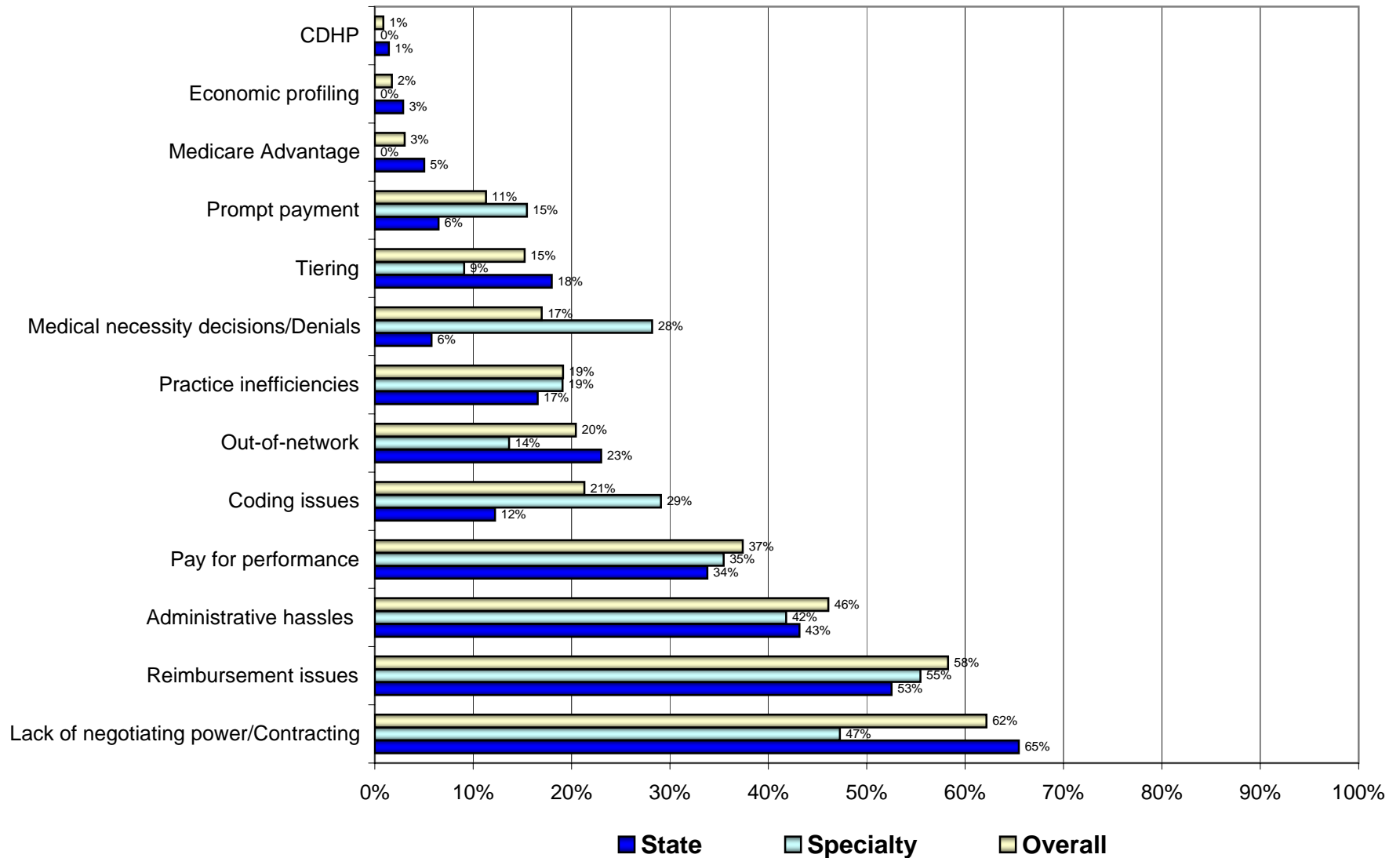
### **Practice Viability**

- Physicians Practice (business) viability – Colorado still a cottage industry: Problem: solo and small group practices, particularly primary care, challenged with continuing overhead expense increases coupled with the downward pressure on their reimbursement (from both private and government payers), as well as the increase in cost shifting of the financial burden onto patients.

### **Quality & Efficiency Reporting**

- Quality/efficiency reporting programs are being rolled out by many of the payers all with different “rules” but using the same flawed proprietary system that relies on claims data
  - Ongoing training of customer service personnel
  - Lack of transparency and consistency of measures
  - Difficult to appeal and get an erroneous label corrected
  - Used for marketing, not true clinical application

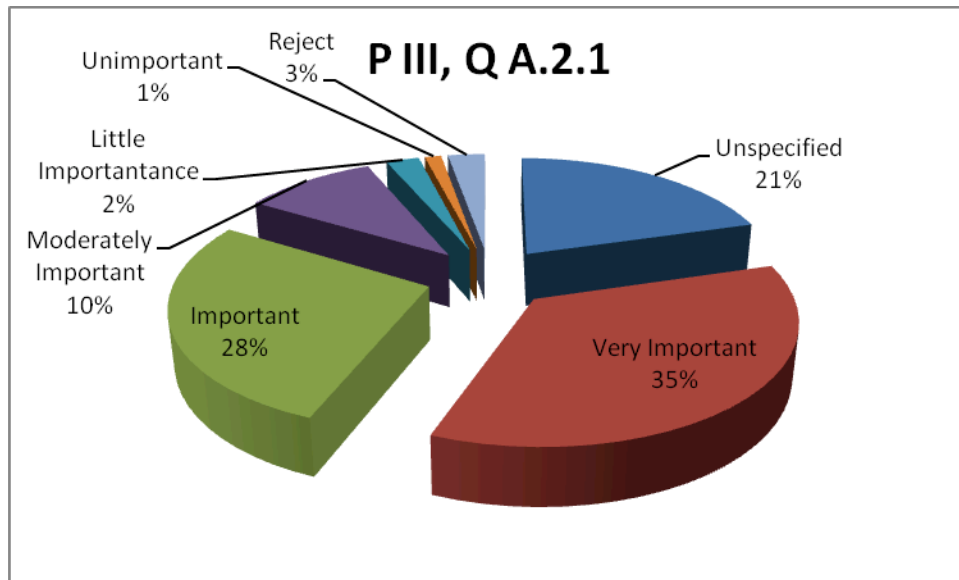
## Top practice management/private sector issues throughout the Federation



*Section A. Cost Effectiveness*

**Criteria 2- Data Systems Accuracy:**

**Question 1. The new system will utilize data systems that include transparency of all clinical guidelines.**

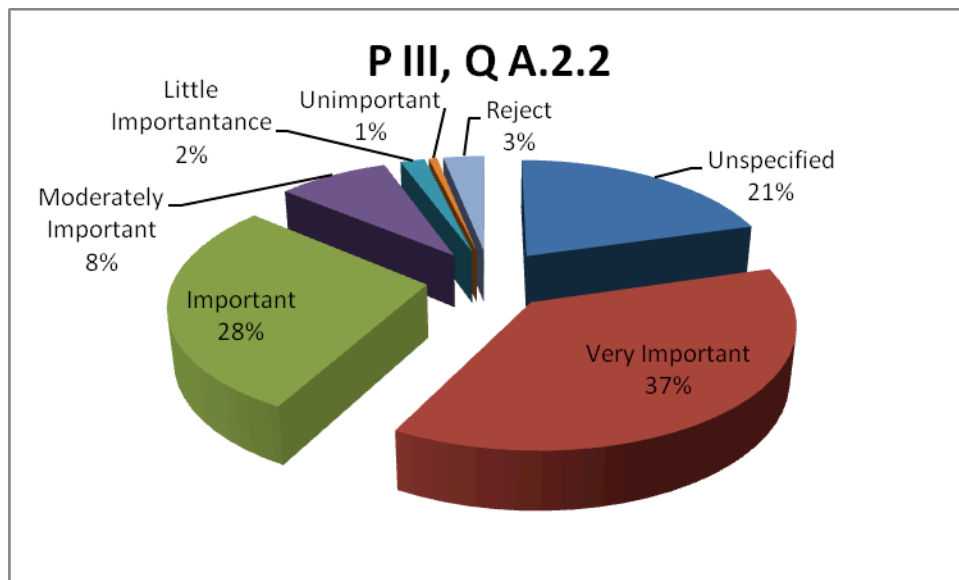


All Responses for Principle III, Section A, Criteria 2, Question 1

*Section A. Cost Effectiveness*

**Criteria 2- Data Systems Accuracy:**

**Question 2. The new system will utilize data system performance measurement methodologies.**

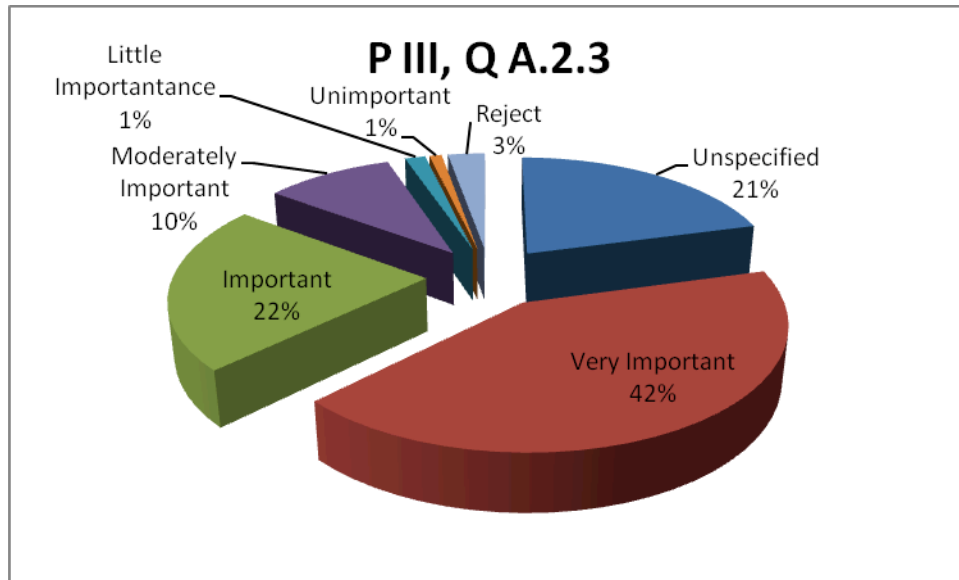


All Responses for Principle III, Section A, Criteria 2, Question 2

*Section A. Cost Effectiveness*

**Criteria 2- Data Systems Accuracy:**

**Question 3. The new system will utilize processes for physicians that include reasonable notice of performance measurement, appeals processes and chart reviews.**

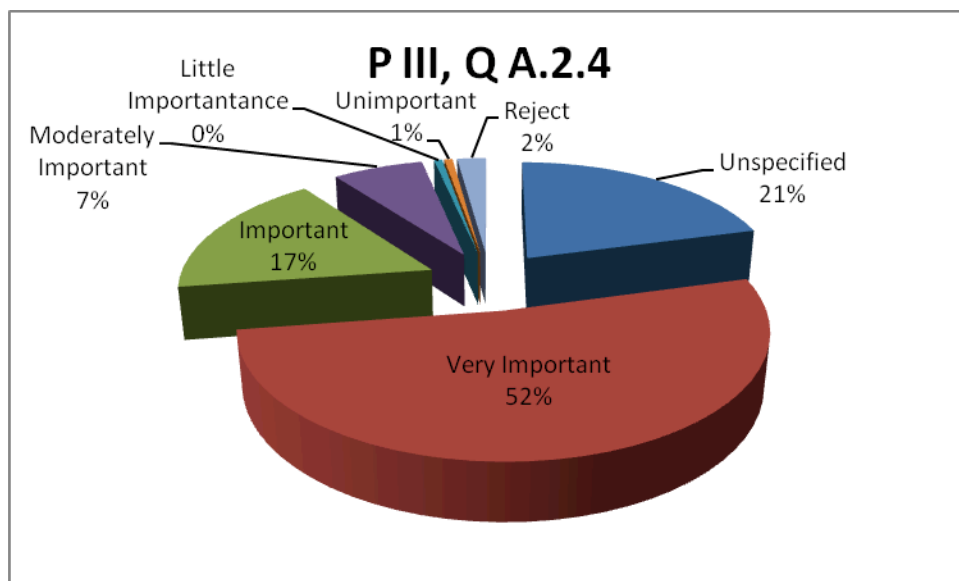


All Responses for Principle III, Section A, Criteria 2, Question 3

*Section A. Cost Effectiveness*

**Criteria 2- Data Systems Accuracy:**

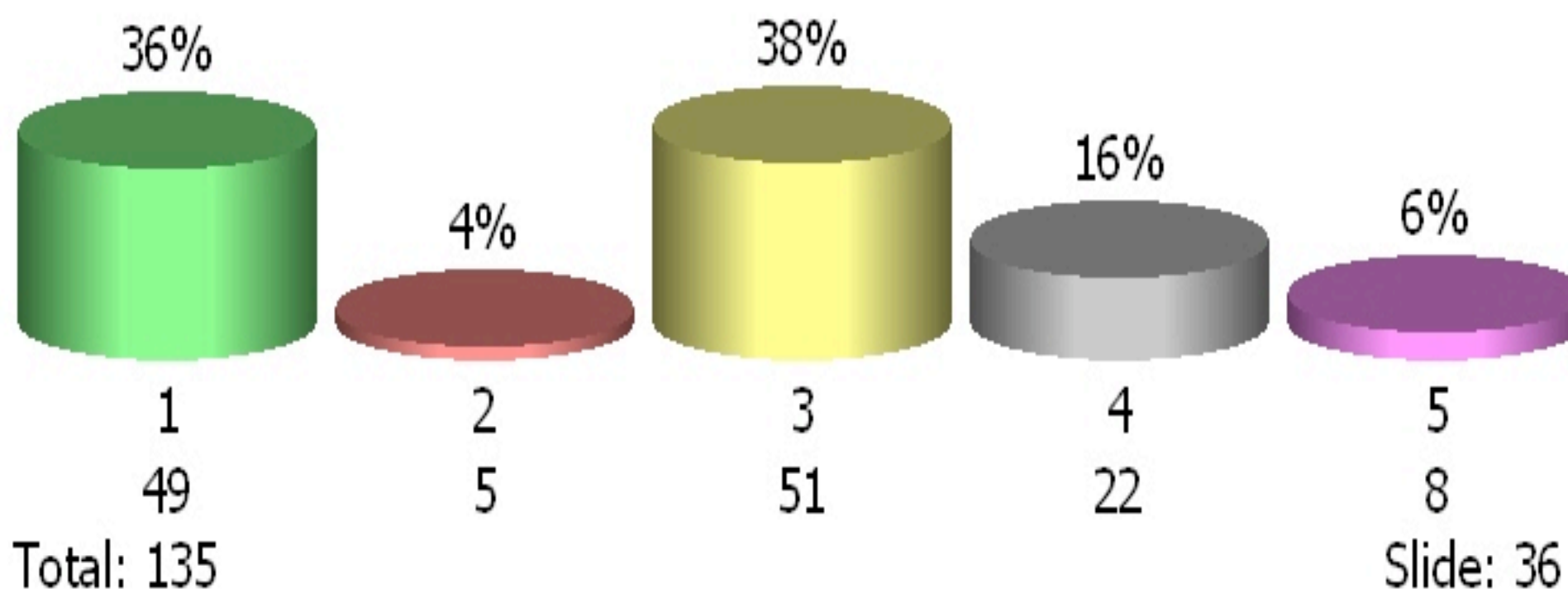
**Question 4. The new system will utilize legal protections against misrepresentation of a physician's practice.**



All Responses for Principle III, Section A, Criteria 2, Question 4

## Where do you think CMS should place its resources in terms helping you respond to public reporting and transparency requirements?

1. Ensure that physicians have the opportunity to review and respond to data reports before they are published by public and private payers
2. Fight these efforts as the intrusion they are
3. Ensure that physicians have a mechanism to own and control their data
4. Push for the publication of aggregate physician data and prevent publication of individual physician specific data
5. Insist on all programs being voluntary



Thinking about transparency – Studies indicate that patients only receive 55% of the care they should. Literature also documents wide variations in care. Public and private payers are calling for more public reporting of clinical outcomes. How important it is for physicians to measure their clinical outcomes and compare them to their peers for quality improvement purposes?

