



The P4P Decision Tool:
A Stakeholder Guide to Exploring and Selecting
an Appropriate Pay-for-Performance Program

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STRUCTURED ABSTRACT

- Purpose:* The P4P Decision Tool guides healthcare purchasers through the decision-making process involved in creating and implementing pay-for-performance programs. Built upon the foundation of AHRQ’s publication, “Pay-for-Performance: A Decision Guide for Purchasers,” the P4P Decision Tool is a valuable resource for purchasers, with an interactive, web-based platform that features comprehensive educational content, a clearinghouse of existing pay-for-performance programs, and a complete list of instrumental resources and publications for reference.
- Scope:* Available to the general public, the P4P Decision Tool enables users to learn about pay-for-performance best practices. The Tool is composed of a series of questions that outline users’ preferences and needs for implementing a P4P program. Based on each answer provided, the Tool searches the Leapfrog Compendium, an online chronicle of existing incentives and rewards programs, and provides users with a list of programs that are most relevant to their needs.
- Method:* A steering committee of healthcare leaders representing the purchaser, provider, and academic communities was convened to develop and design the content and parameters of the P4P Decision Tool.
- Results:* As part of Leapfrog’s suite of value-driven healthcare resources, the P4P Decision Tool allows purchasers to learn about P4P and select a program that best suits their needs and goals. The Tool provides information for additional research about P4P and contact information to pursue individual programs for implementation.
- Key Words:* Pay-for-Performance (P4P) Tool; (P4P) Decision Tool; Pay-for-Performance (P4P) Programs; About Pay-for-Performance (P4P)

PURPOSE

The Decision Tool was designed to educate healthcare stakeholders about the decision-making processes involved in the value-based purchasing strategy of pay-for-performance. The Tool guides users through a series of questions about their needs in design elements and intended outcomes of a P4P program. Based on users' preferences, indicated by their answers to each question, the Decision Tool displays information about existing P4P programs that match users' needs as "best-fit" solutions. In addition, the Tool provides information about existing programs within a defined geographic area and programs implemented by organizations similar to that of the user.

Goals of the P4P Decision Tool:

- To educate stakeholders about different design options for P4P programs
- To help users select P4P options that best suit their needs and objectives
- To identify existing P4P programs that match users' P4P preferences and empower users to take the next step and implement a P4P program

Outputs of the P4P Decision Tool:

Based on the answers provided by the user, the Tool searches the Leapfrog Compendium, an online clearinghouse of incentives and rewards programs, and provides a list of programs according to user preferences. The Tool also displays programs that have been implemented within the user's geographic area and programs that have been implemented by organizations that are similar to that of the user. The programs are listed in the "Results" section of the Tool along with pertinent features of the program as well as contact information for pursuing program implementation.

Intended next steps:

The Tool allows stakeholders to continue their research efforts to learn about P4P programs, especially concerning market studies about best practices. The Decision Tool includes a list of resources and publications, both print and online, for users to gain more knowledge about current implementation efforts. Furthermore, the Decision Tool provides contact information for each program so that stakeholders can contact organizations to understand the aspects of program implementation and market impact.

SCOPE

BACKGROUND

In 2006, the Agency for Healthcare Quality and Research published a valuable resource for the healthcare purchasing community, entitled "Pay for Performance: A Decision Guide for Purchasers." This resource guides purchasers through the options and choices available in pay-for-performance programs. Many purchasers are currently exploring ways to be more proactive in healthcare purchasing and healthcare improvement strategies, such as pay-for-performance and value-based purchasing.

The Leapfrog Group, in fulfilling its mission to educate stakeholders about the need for quality, safety, and transparency within the U.S. healthcare system, values the Decision Guide and its purpose. In realizing the quality of the Decision Guide's content, the Leapfrog Group proposed to translate the Decision Guide into an online, interactive tool for purchasers. In this manner, purchasers can identify preferences of P4P elements that best suit the needs of their population, and the tool will match those

preferences to existing P4P programs via the Leapfrog Compendium, an online clearinghouse of incentives and rewards programs implemented in markets throughout the country by various types of stakeholders. The Decision Tool encourages users to learn more about individual P4P programs by providing contact information and a list of resources to gain more knowledge about implementation details and take the next step in pursuing P4P as a strategy to control healthcare costs and improve quality and efficiency of care.

METHODS

PROJECT LOGISTICS

Planning for the P4P Decision Tool commenced in November 2006. A committee of healthcare leaders was formed to steer the project and provide expertise for the Tool's content and design. Two in-person meetings were held during the project's 7-month duration. The committee members actively reviewed the Tool's progress and provided valuable input regarding educational content and web design. The P4P Decision Tool was completed in May 2007 and underwent several product tests for functionality. Launch date of the P4P Decision Tool was scheduled for November 2007.

The following task items were set in advance prior to the completion of the P4P Decision Tool:

1. Establish steering committee for decision support and expertise
 - Set criteria and logistics for Decision Tool
 - Determine complete question set and decision options based on Leapfrog Compendium
 - Determine necessary educational topics for inclusion
 - Create appropriate methodology to calculate results of Decision Tool
 - Align Decision Tool content with Leapfrog Compendium entries
 - Determine layout and web design of Decision Tool
 - Design marketing and communications plan for Decision Tool
2. Formulate questions for inclusion and assign decision paths
3. Design options for scoring/weighting methodology
4. Draft educational content based on Decision Guide and conduct research for additional topic areas
5. Engage web development team and determine logistics of web-based Decision Tool
6. Format all content for web transfer/upload
7. Evaluate design and layout aspects
8. Conduct tests for accuracy in methodology

STEERING COMMITTEE

To incorporate all the perspectives of all types of healthcare stakeholders, The Leapfrog Group invited numerous representatives from purchaser, health plan, research, and provider organizations to serve as members of the Decision Tool steering committee.

Participating members:

Meredith Rosenthal	Harvard School of Public Health
R. Adams Dudley	University of California, San Francisco
Francois de Brantes	Bridges to Excellence
Dick Miller	Mercer Human Resource Consulting
Aparna Higgins	Booz Allen Hamilton
Greg Pastor	Aetna

Anthony Shih
Linda Shelton
Nikki Highsmith
Jon DuMoulin
Jon Shematek
Eileen Ciccotelli
Greg Belden
Karen Linscott
Guy D'Andrea

The Commonwealth Fund
LKS Consulting
Center for Health Care Strategies
URAC
CareFirst BlueCross BlueShield
Virginia Business Coalition on Health
The Leapfrog Group (Compendium)
The Leapfrog Group
Discern Consulting

PROJECT DEVELOPMENT

Steering Committee Meeting #1: November 14, 2006

Agenda & Action Items:

- Project Introduction and Overview
- Define audience, goals, outcomes, next steps
- Review current content, determine areas of additional research/development
- Determine educational topics for user background information
- Brainstorm criteria for scoring P4P programs in the Compendium to match preferences

Intermediate Steps: November 15, 2006 - February 28, 2007

- Determine question set and answers to include
- Conduct necessary research and draft all educational content
- Produce an appropriate scoring methodology to rank Compendium entries
- Collaborate with web developer for design and functionality aspects
- Design prototype model of Tool to serve as visionary example

Steering Committee Meeting #2: March 1, 2007

Agenda & Action Items:

- Prioritize questions according to audience and weighted score
- Ensure appropriate options for each question according to Compendium structure
- Review prototype model and modify with adjustments
- Determine logistics for web interface
- Formulate dissemination plan: communication and launch

Intermediate Steps: March 2, 2007 - May 1, 2007

- Finalize question set, options, and educational content
- Transfer all content to web interface
- Review development and design of web Tool
- Compile resource list for user reference

Launch Date: November 2007

The P4P Decision Tool is available online at www.leapfroggroup.org/compendium_dt_home.

RESULTS

OUTCOMES

The P4P Decision Tool was developed as a user-friendly, interactive resource for healthcare purchasers exploring the strategy of pay-for-performance to improve the delivery of care to patients and to reduce overall healthcare costs. Purchasers can use the Tool to learn about pay-for-performance and to select an appropriate program that best suits their healthcare needs and goals in the local market.

CONCLUSION/SIGNIFICANCE

Through the P4P Decision Tool, purchasers will gain a better knowledge of purchasing strategies, such as pay-for-performance, enabling them to play a more active role in purchasing healthcare benefits for their employee population. Furthermore, the Tool helps purchasers focus on the value of healthcare through pay-for-performance, its provider participants, measures, incentives/rewards structure, and health and financial outcomes.

WORKS CITED

The following resources and publications were used in the development of the P4P Decision Tool:

Tools & Resources

- AHRQ's "Pay-for-Performance: A Decision Guide for Purchasers," 2006.
<http://www.ahrq.gov/qual/p4pguide.htm>
This Decision Guide represents the foundation of the P4P Decision Tool to detail the many decisions that effect the selection of a pay-for-performance initiative.
- "How Four Purchasers Designed and Implemented Quality-Based Purchasing Activities: Lessons from the Field," by Meredith Rosenthal, PhD, and Joe Camillus, MBA, MPH.
<http://www.ahrq.gov/qual/qbplelessons.htm>
The Agency for Healthcare Research and Quality (AHRQ) conducted four studies of purchasers' efforts and lessons learned in improving healthcare quality through quality-based purchasing initiatives in local communities. The paper includes public report cards by the Ohio Department of Aging and the Colorado Business Group on Health, and it covers pay-for-performance programs executed by the Maine Health Management Coalition and the Hudson Health Plan.
- CMS Options Paper
<http://www.cms.hhs.gov/AcuteInpatientPPS/downloads/HospitalVBPOptions.pdf>
The Center for Medicare and Medicaid Services is currently designing a Medicare Hospital Value-Based Purchasing program to improve quality and efficiency in the delivery of healthcare to Medicare recipients and to comply with President Bush's August 2006 Executive Order detailing the need for HIT adoption, price transparency, quality standards, and consumer/provider incentives. The Options Paper outlines CMS' proposed program scope and details. CMS will develop a final proposal to submit for Congressional review in Summer 2007.

- Bridges to Excellence ROI Calculator
http://www.bridgestoexcellence.org/program-evaluation/roi_calculator.msp
 This return-on-investment (ROI) calculator enables employers and health plans to understand the numerous outcome benefits associated with participating in Bridges to Excellence’s physician pay-for-performance programs.
- Leapfrog Hospital Rewards Program ROI Estimator
<http://www.roiestimator.com/Welcome.asp>
 This return-on-investment (ROI) calculator illustrates the financial benefits associated with participating in the Leapfrog Hospital Rewards Program. The ROI Estimator is designed for employers and health plans interested in implementing the hospital pay-for-performance program.
- “Advancing Quality Through Collaboration: The California Pay-for-Performance Program”
<http://www.iha.org/wp020606.pdf>
 This white paper details the history, success, and future of California’s physician pay-for-performance program through quality-based financial incentives and public report cards. The program focuses on the execution of a uniform measure set followed by seven health plans and a multitude of providers.
- “The Business Case for P4P: Measuring Provider Efficiency”
http://www.bridgestoexcellence.org/assets/Documents/Program_Evaluation_Documents/Provider_Efficiency_Whitepaper/Measuring_Provider_Efficiency_Version1_12-31-20041.pdf
 Developed by Bridges to Excellence and The Leapfrog Group, this white paper describes the recommendations and best practices deployed by employers, health plans, consultants, and providers to help measure and evaluate provider efficiency.
- *Performance Measurement: Accelerating Improvement*
<http://www.iom.edu/CMS/3809/19805/31310.aspx>
 The Institute of Medicine produced a series of reports, the Pathways to Quality Health Care, to provide strategies for public and private payers to improve the quality of healthcare in the United States. This report centers on measure selection and management to supporting quality improvement initiatives created by various stakeholders.
- *Quality Through Collaboration: The Future of Rural Health*
<http://www.iom.edu/CMS/3809/13989/23359.aspx>
 This report, compiled by the Institute of Medicine, explores healthcare delivery in America’s rural environments and the quality challenges these communities face.
- *Crossing the Quality Chasm: A New Health System for the 21st Century*
<http://www.iom.edu/?id=22346>
 The Committee on the Quality of Health Care on America developed this report to outline the gaps or chasms where change in the healthcare system is needed most and to make recommendations for restructuring the healthcare system to provide improved quality, efficiency, and affordability.

- Kuhmerker, Kathryn, and Thomas Hartman. *Pay for Performance in State Medicaid Programs: A Survey of State Medicaid Directors and Programs*. The Commonwealth Fund and IPRO, April 2007.
www.cmwf.org
This report details the current and planned P4P activities of state Medicaid programs, based on a survey and follow-up interview with state Medicaid directors and their staffs as well as review of related documents.
- Llanos, Karen, Joanie Rothstein, and Mary Beth Dyer. *Physician Pay-for-Performance in Medicaid: A Guide for States*. The Center for Healthcare Strategies, 2007.
www.chcs.org
This guide for states offers lessons from Medicaid, commercial, and Medicare P4P programs to help in the development of successful Medicaid P4P strategies at the physician level.

Additional Resources

“Executive Order: Promoting Quality and Efficient Healthcare in Federal Government Administered or Sponsored Health Care Programs.” President George W. Bush, 22 August 2006.

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“Premier Hospital Quality Incentive Demonstration.” The Centers for Medicare and Medicaid Services.

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