

# Beyond RVUs: Changing Your Primary Care Compensation Plan from Volume to Value



# Objectives

- Compare different primary care compensation models
- Identify keys to success and best methods for transitioning compensation plans
- Receive tools to help you develop a compensation plan supporting population management.

# What is UW Health?

UW Health is the integrated health system of the University of Wisconsin-Madison serving more than 600,000 patients each year in the Upper Midwest and beyond with 1,400 physicians and 16,500 staff at six hospitals and 80 outpatient sites

UW Health is governed by the UW Hospitals and Clinics Authority and partners with UW School of Medicine and Public Health to fulfill their patient care, research, education and community service missions

**UW**Health



**School of Medicine  
and Public Health**

UNIVERSITY OF WISCONSIN-MADISON

## **UW Health Madison Hospitals**

- University Hospital
- American Family Children's Hospital
- UWHealth at The American Center
- UWHealth Rehabilitation Hospital

## **UW Health Regional Hospitals**

- SwedishAmerican Hospital, Rockford, IL
- Belvidere Medical Center, Belvidere, IL

## **UWHealth Clinics**

Throughout Wisconsin and Northern Illinois

## **UW Medical Foundation**

UW faculty physician practice

## **UW Carbone Cancer Center**

Comprehensive Cancer Center, designated by the National Cancer Institute (NCI)

## **Unity Health Insurance and Gundersen Health Plan**

Highly rated health plans

## **University Health Care**

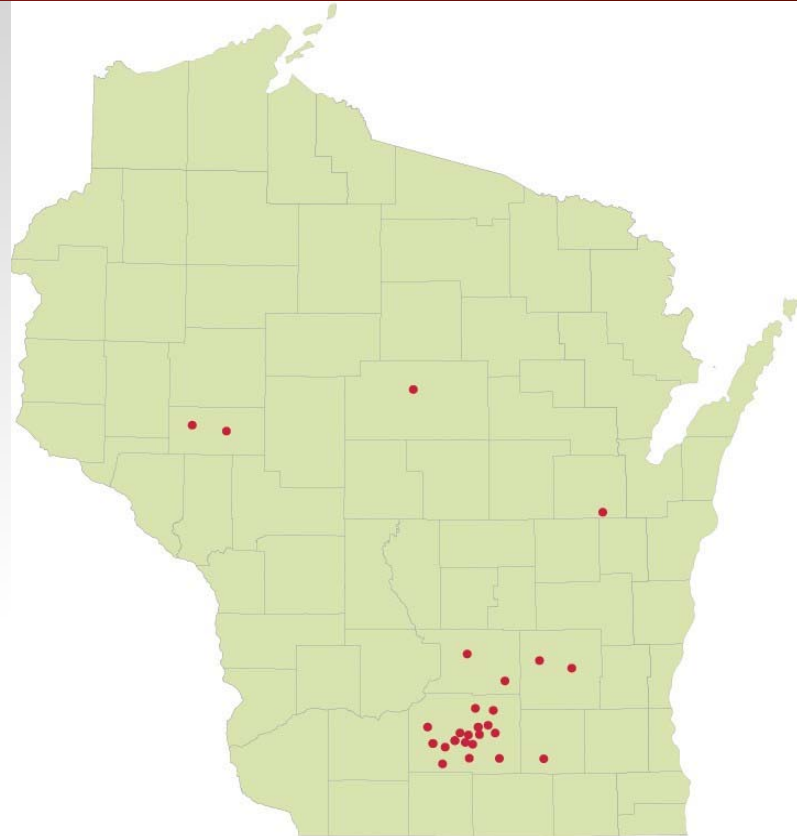
Regional relationships and contracting

## **Joint Ventures and Affiliations**

Cancer centers, surgery centers, dialysis programs, home health, infusion and many other programs and services

# UW Health Primary Care

- 43 Primary Care Clinics in 27 locations
- Clinics owned and operated by UWHC, UWMF, and DFM
- 317 primary care physicians
- 292,000 active patients medically homed at UW Health



# Why Change Plans Now?



# Compensation Models

Model Type	Pros	Cons
Volume/Production Based	<ul style="list-style-type: none"><li>• Rewards highly productive physicians</li><li>• Facilitates autonomy</li></ul>	<ul style="list-style-type: none"><li>• Promotes churning</li><li>• No reward for non-visit work</li><li>• No quality incentive</li><li>• No teaching citizenship incentive</li></ul>
Fixed Salary	<ul style="list-style-type: none"><li>• Predictable salary</li><li>• Time for non patient care activities</li></ul>	<ul style="list-style-type: none"><li>• No reward for highly productive physicians</li><li>• No incentive for quality</li><li>• No penalty for nonproductive physicians</li></ul>

# Compensation Models

Model Type	Pros	Cons
Mixed <ul style="list-style-type: none"><li>• Base salary</li><li>• Work RVU's/volume</li><li>• Incentives:<ul style="list-style-type: none"><li>• Quality</li><li>• Volume</li><li>• Patient satisfaction</li><li>• Discretionary</li><li>• Panel size</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Flexibility to incentivize organizational goals</li></ul>	

# The Crisis





# Burning Platform in GIM

- GIM lost 7 physicians from 2007-2008 to local competition or the hospitalist medicine
- 14,000 medically homed patients were suddenly without access to their PCP
- Over 70% of GIM Physicians had closed panels
- No one to hire with the national shortage of internists

# UW Health GIM Story (Phase 1)

- Difficult to compete with hospitalist medicine for our residents
  - Family Medicine and hospitalist salaries \$20,000 more than GIM
  - Comp 100% RVUs , not aligned with work
  - Very poor quality metrics
  - ACO's on the horizon: Volume to Value
  - NCQA Medical homes
-

# UW Health Performance: Wisconsin Publicly Reported Quality Rankings - 2008

<span style="color: green;">■</span> Top WCHQ Performance Rate - 2008
<span style="color: yellow;">■</span> UW Health Performance Rate - 2008
<span style="color: red;">■</span> Lowest WCHQ Performance Rate - 2008

## Chronic Care

Wisconsin Provider Group		1 - Top Performer	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
WCHQ Measure	Diabetes - A1c Testing	80.8%																		65.8%		55.1%		
	Diabetes - A1c Control	66.9%															46.4%					39.8%		
	Diabetes - LDL Testing	94.6%																			78.7%	76.4%		
	Diabetes - LDL Control	64.5%																		48.2%		47.8%		
	Diabetes Kidney Function Monitored	90.3%											75.0%										51.9%	
	Diabetes - Blood Pressure Control	55.5%										44.1%												32.9%
	Controlling Uncomplicated Essential HTN	76.0%																		64.0%		63.0%		
	CAD - LDL Testing	94.0%																		76.9%			67.3%	
	CAD - LDL Control	72.2%																		58.6%			51.8%	

## Preventive Care

Wisconsin Provider Group		1 - Top Performer	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
WCHQ Measure	Breast Cancer Screening	79.2%											71.2%										57.3%	
	Cervical Cancer Screening	87.4%						80.9%															64.9%	
	Colorectal Cancer Screening	69.7%											63.9%											53.8%
	Adults with Pneumococcal Vaccinations	88.4%													58.2%									45.7%
	Adult Screening for Tobacco Use	99.3%										90.3%								51.5%				



# We needed a change



# UW Health GIM Story

## GOALS

Align  
work and  
comp

Stabilize  
workforce

Recruit  
best and  
brightest

Improve  
quality  
metrics

Improve  
access

# UW Health GIM Story

- Outside expert
- High level administrative support
- Clinician level needs assessment through focus groups
- Minimum Clinical Performance Standards
- Clinician vote (2/3 majority)
- Mixed plan: 50% salary, 25% panel size(home grown modification model), and 25% RVU's
- Compensation increased (average of 28%) and faculty satisfaction and understanding of the comp plan increased

# Outcomes of Comp Plan

## GOALS

Align  
work and  
comp  
yes

Stabilize  
work  
force  
No  
attrition  
since new  
plan

Recruit  
best and  
brightest  
Recruiting  
our chiefs

Improve  
quality  
metrics  
yes

Improve  
access  
48% a  
docs  
accepting  
new pts.

# UW Health Primary Care Story

- Burning platform spread to Peds and FM
- Survey of all FM, Peds, and GIM after the “NEW” GIM plan
- This evidence emphasized the need and drove forward formation of a unified PC comp plan based on value

	Satisfied	Very Satisfied
Peds		
Structure	22%	0%
Salary	30%	4%
DFM		
Structure	20%	4%
Salary	24%	4%
GIM		
Structure	42%	23%
Salary	32%	32%



# UW Health Primary Care Story (Phase 2)

- FM and Peds aligned with GIM with goal of a single standardized Primary Care Compensation Plan
- Modified the GIM plan
- Minimum Clinical Performance Standards became Standardized PC Clinical Job Description
- Used home grown PCP panel weighting system
  - Goal 1,800 weighted patients

# Panel Weighting System

- Derived from 3 years of historical UW Health utilization data at PCP sites
  - Age
  - Insurance Type
  - Gender
- Panels reflect work done per patient
  - Weightings range from .53-2.22
  - Normalized Peds, FM, GIM

# Panel Weighting

Female	Weighting	Male	Weighting
Medicaid 0-3	1.44	Medicaid 0-3	1.51
Medicaid 4-14	0.78	Medicaid 4-14	0.85
Medicaid 15-39	1.20	Medicaid 15-39	0.69
Medicaid 40-59	1.45	Medicaid 40-59	1.13
Medicaid 60-74	1.57	Medicaid 60-74	1.42
Medicaid ≥ 75	1.71	Medicaid ≥ 75	1.04
Medicare 0-3	0.00	Medicare 0-3	0.00
Medicare 4-14	2.62	Medicare 4-14	0.00
Medicare 15-39	1.82	Medicare 15-39	1.15
Medicare 40-59	2.22	Medicare 40-59	1.65
Medicare 60-74	1.17	Medicare 60-74	1.52
Medicare ≥ 75	1.98	Medicare ≥ 75	1.89
Other 0-3	1.55	Other 0-3	1.65
Other 4-14	0.82	Other 4-14	0.84
Other 15-39	0.81	Other 15-39	0.53
Other 40-59	1.00	Other 40-59	0.80
Other 60-74	1.21	Other 60-74	1.12
Other ≥ 75	1.09	Other ≥ 75	1.33

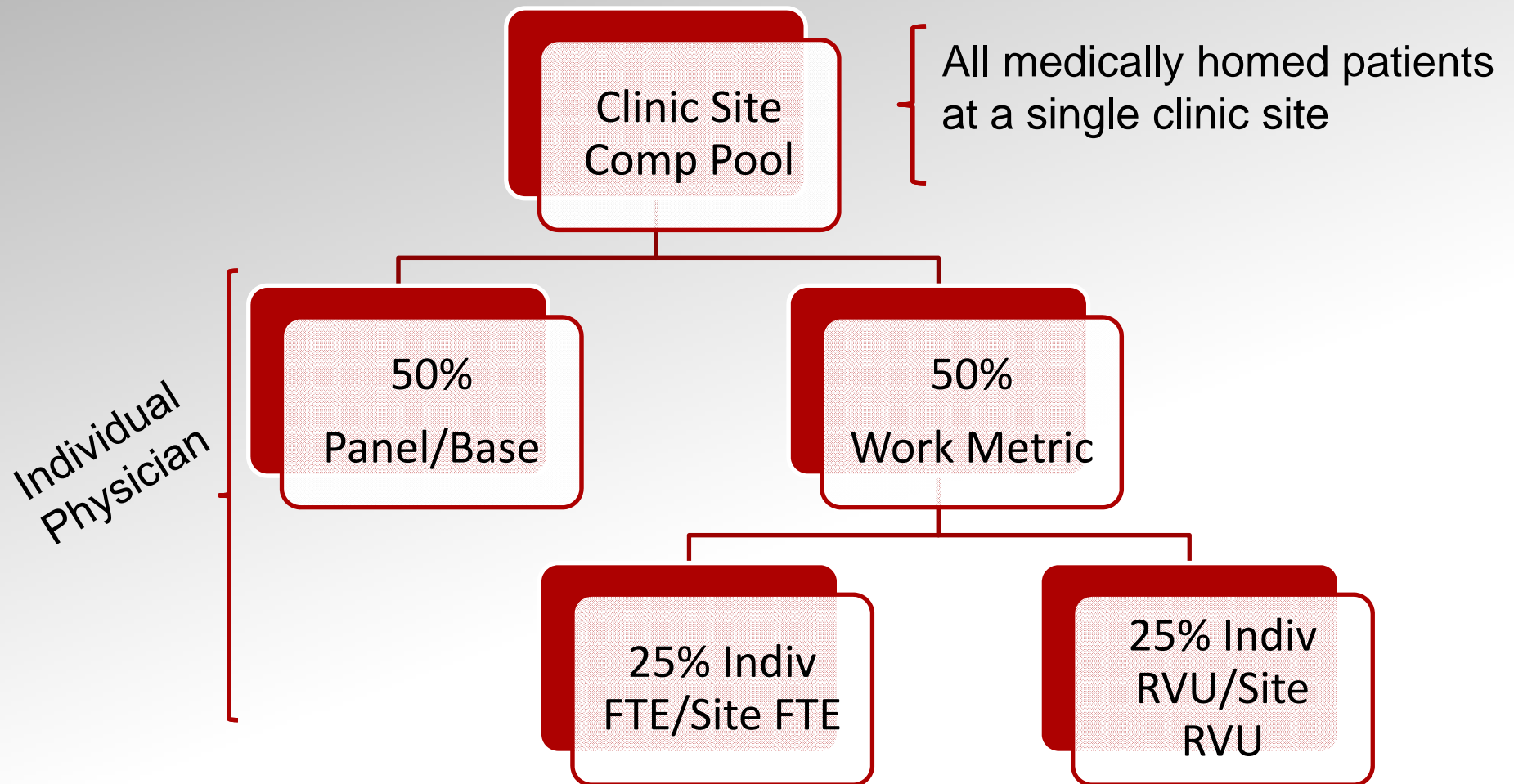
# Primary Care Clinical Job Description

- Population Management
  - Maintain a weighted panel size of 1,800-2,200
  - Disease registries
  - Preventative health care
- Clinical Care
  - 40-50 hours total office time
  - 30 patient contact hours per week
  - Physical presence in clinic from 8:00-5:00
- Clinic-level quality improvement projects
- Work in teams with Advanced Practice Provider
- Citizenship

# UW Health Primary Care Story

- New emphasis on population health management
  - Value based care: Increase quality, improve outcomes, decrease costs
  - The right care, for the right patient, at the right time, for less cost
    - E-visits
    - Patient Portal/My Chart
    - Chronic Disease Registries
    - Chronic Care Nurses
    - Centralized Outreach
    - Office Visits

# Details of WI Primary Care Compensation Plan



# Details of WI Primary Care Compensation Plan

- 5% of clinical comp is at risk if clinical job description is not met
- Physician can receive a 5% incentive bonus for meeting defined quality metrics

# Quality Metrics

## Access

- Avatar: Appointment available when needed?

## Service

- Avatar: Did the doctor explain my illness in a way I could understand?

## Health Outcomes

- Diabetes all or none outcome measure
- Controlling high blood pressure

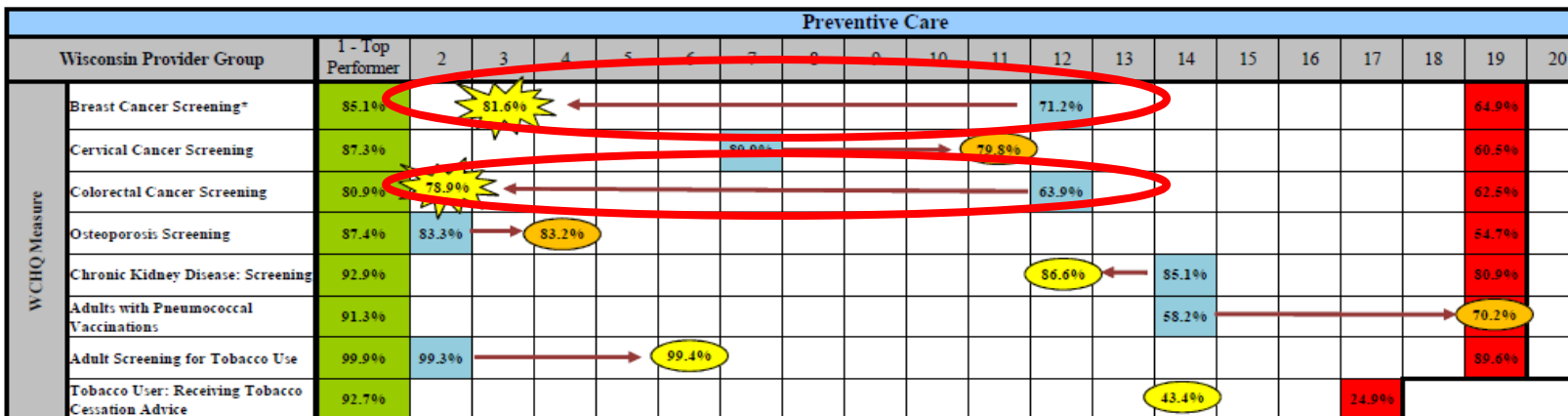
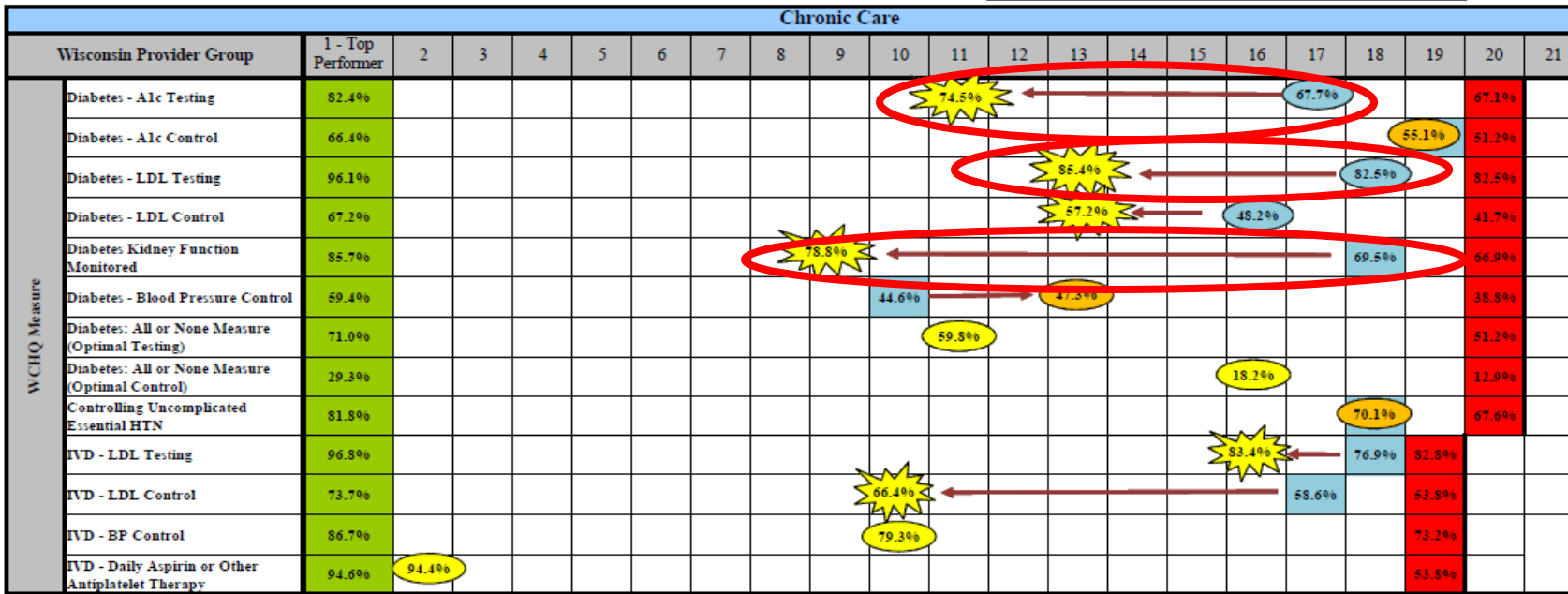
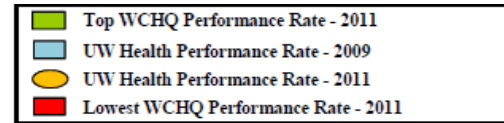


# Outcomes of Comp Plan

- Team care is incentivized
- Increased clinical salaries and provider satisfaction
- Improved understanding and transparency of comp plan
- Incentivizes behavior change to match physician reimbursement incentives (ACO, capitated insurers)
- Decreased RVU's by 3%
- Improved quality

**UW Health Performance at a Glance:  
WCHQ Ranking by Provider Groups  
Comparison of 2009 to 2011**

**Metrics with Focused UW Health Interventions**



Graph Prepared by UW Health Care and Quality Innovations Department, May 2011.

\*Measures by Fiscal Year 2010: Diabetes, Uncomplicated Hypertension, Tobacco Screening and Postpartum Care.

\*Measures by Calendar Year 2010: Cardiovascular Conditions, Cancer Screening, Osteoporosis Screening & Adult Pneumococcal Vaccination.

Please note: Each box represents one organization from the provider groups that report to WCHQ. There is a variable number of organizations that report for each specific measure.

Chronic care, episodic care and preventive care are ambulatory care measure breakout groups created by WCHQ.

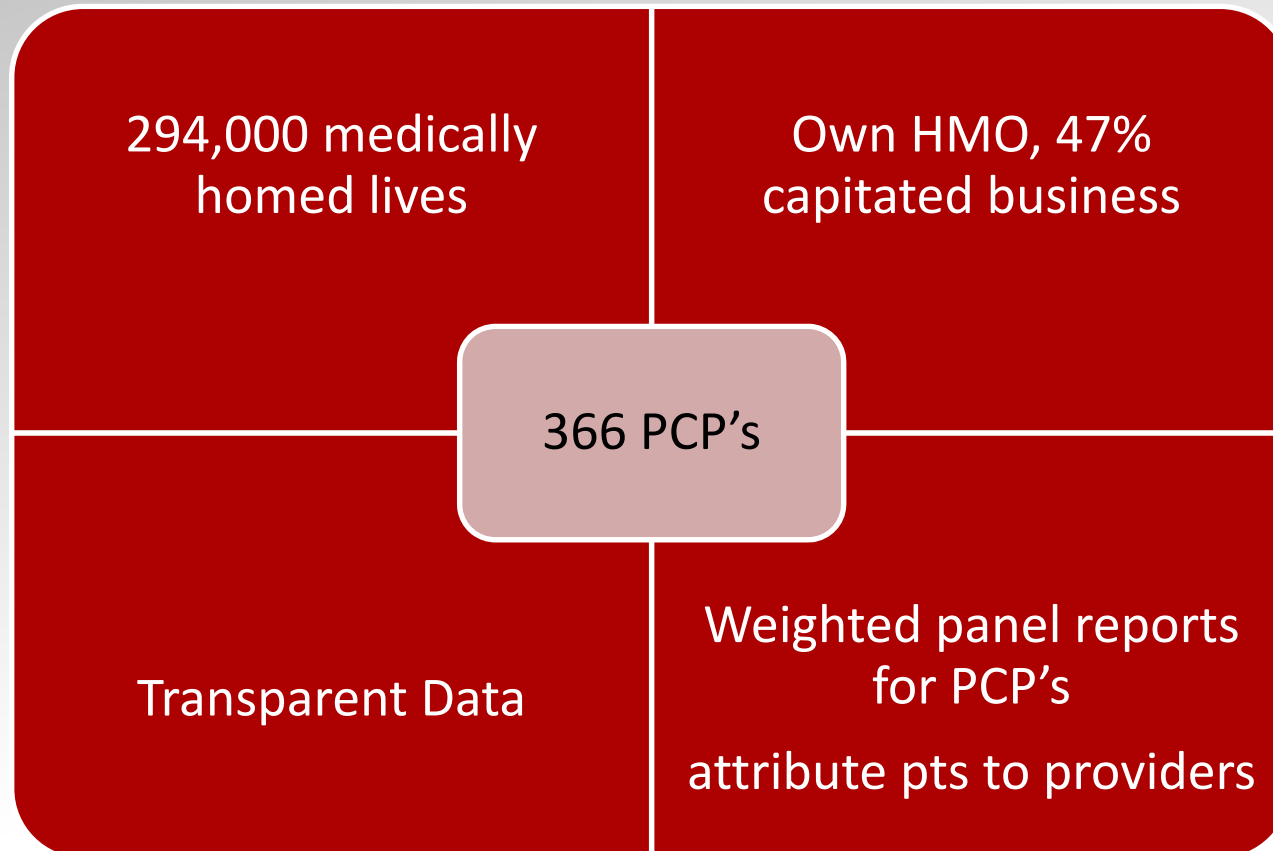
\*Breast Cancer Screening - Age change in 2010. Current Age range 50 - 74, previous age range 40 - 68.

Diabetes A1c Control - New in 2010 Good Control = Low risk patients - less than 7.0%, High risk patients - less than 8.0%.

# UW Health Keys to Success

- Organization believed in Primary Care and included Primary Care Redesign as one of its 5 strategic plans
- PC was clearly defined as GIM, Peds, and FM
- GIM, FM, Peds collaborated on all redesign efforts
  - Unified with equal power and authority in clinical arena
  - Maintaining individual departments
  - Continuity among all 3 clinical Vice Chairs and committed to unification
  - Compensation part of redesign

# UW Health Keys to Success



# Keys to Successful Transition

- Stakeholder buy in
  - Administration
  - Clinicians
- Design based on your goals
  - Align work with compensation, recruitment, quality, access, stabilize workforce
- Set a clear time frame
- Make measures meaningful and transparent

# Implementation Lessons

- Organizational level issues
  - Need for institutional support
  - Need to continue to show value to the organization
  - Need to decide whether to align among PCP specialties
  - Need to over-communicate at all levels

# Implementation Lessons

- Division level issues
  - Financial winners and losers in any new plan
  - Build measurement tools to help enforce minimum clinical standards and to report quality data

# Unintended Consequences of New Comp Plan

- Revert to meeting minimum job standards
- Increased policing with regard to meeting minimum standards
- Decreased patient visits and RVU's are difficult to explain in light of increased cost of comp plan
- Change in roles of clinic staff/staffing models
  - Difficult to justify levels with decreased patient visits
  - Need to modify roles as part of team approach



# Wisconsin Primary Care Compensation Toolkit WIPCOT

- Wisconsin Primary Care Toolkit.
- Launch June 1<sup>st</sup> on UW Health Innovation Program Exchange.



- [www.hipxchange.org](http://www.hipxchange.org)

# Questions



# Thank You!

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