



Health Care
Solutions®



NCHICA 15th Annual Conference & Exhibition

**Adapting to the Reality of Healthcare IT:
A Whole New World**

September 20-23, 2009 ● Grove Park Inn, Asheville, NC



**Patient Complexity Index:
*A Real Approach to Pay for
Performance***

September 22, 2009

Agenda

- Introductions
- Session Objectives
- Patient Complexity Index
- Questions

Introductions

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Objectives

- Explore complexities of measuring patient health over an episode of care
- Examine one approach to Pay for Performance
- Review a data-based model to measure the health of a group of individuals over time for ESRD patients
- Discuss approach and tools to provide valuable metrics needed to quantify clinical outcomes and disease complexities to support realigned reimbursement for Pay for Performance

Patient Complexity Index (PCIX)

An Informatics Approach

- Uses objective clinical data from health records to drive outcomes-based conclusions
- Measures disease severity/complexity and degree of response to treatment
- Factors influences of co-morbidities on primary conditions, recognizing patient variance
- Graphically plots progress from patient's baseline score (RADAR chart)
- Value = outcome over cost, permitting efficiency of care measurement



PCIX Value Drivers for Stakeholders

Patient

- Patient education
- Compliance motivation
- Provider quality/outcomes comparisons
- Objective selection of care
- Reduce denials or delay in care

Provider

- Match patient to provider
- Reward for performance
- Objective measurement of response to therapy
- Best practices identified

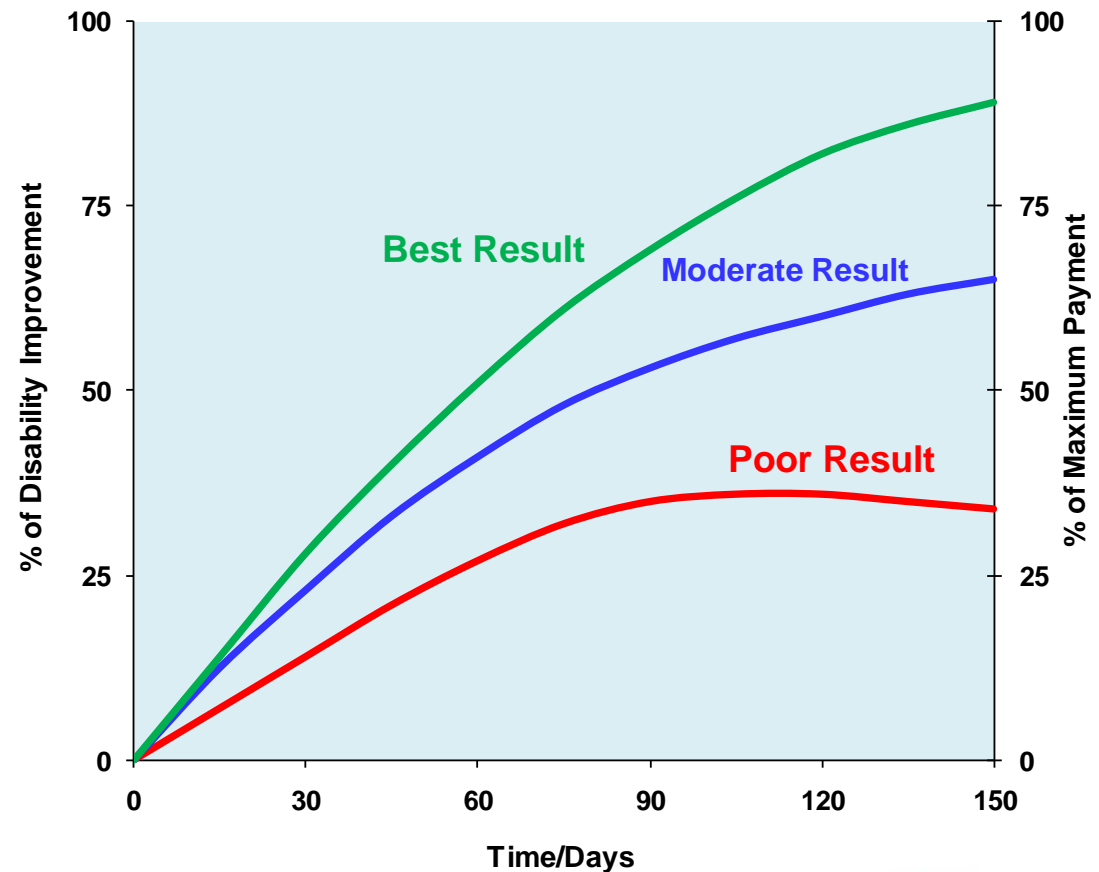
Payer

- Accurate risk encapsulation
- Comprehensive provider and treatment comparisons
- Eliminates CPT-based quality inferences

Relating Best Practice Results and P4P

- Real measurement of outcomes (quality)
- Comparison of treatment patterns for best practices
- Results drive reimbursement — not volume

Best Practice Curves



Current Quality Measures

- Focus on price—not outcome
- Based on HEDIS—for prevention
- Relate ICD-9 to CPT and \$\$\$\$

Current Quality Formula

$$\frac{\text{ICD-9}}{\text{\# CPT}} = \text{Quality}$$

Preferred Providers use fewer CPT codes

Future Quality Measure

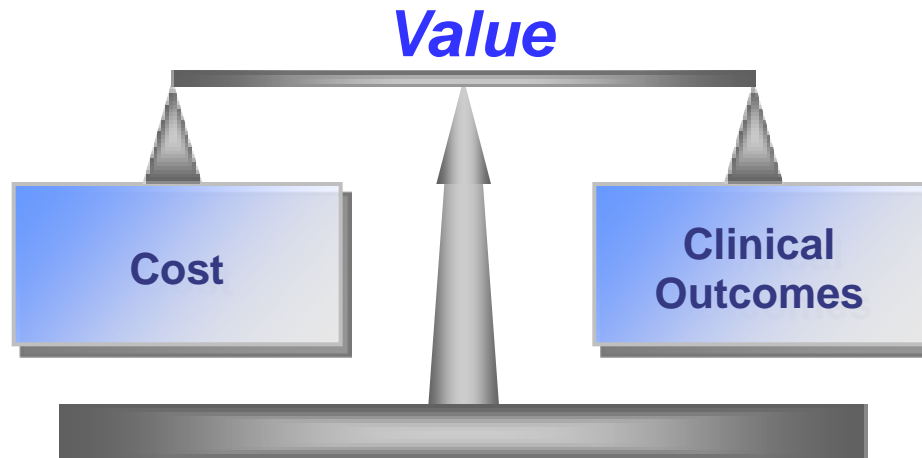
Requires understanding of:

- ***Complexity*** of illness
- ***Provider results*** with similar cases

Pay-for-Performance

An effective approach should:

- Link payment to outcome
- Be based on objective scores for:
 - Illness Complexity (PCIX)
 - Provider results over time



PCIX enabling value-based outcomes

What Stops It?

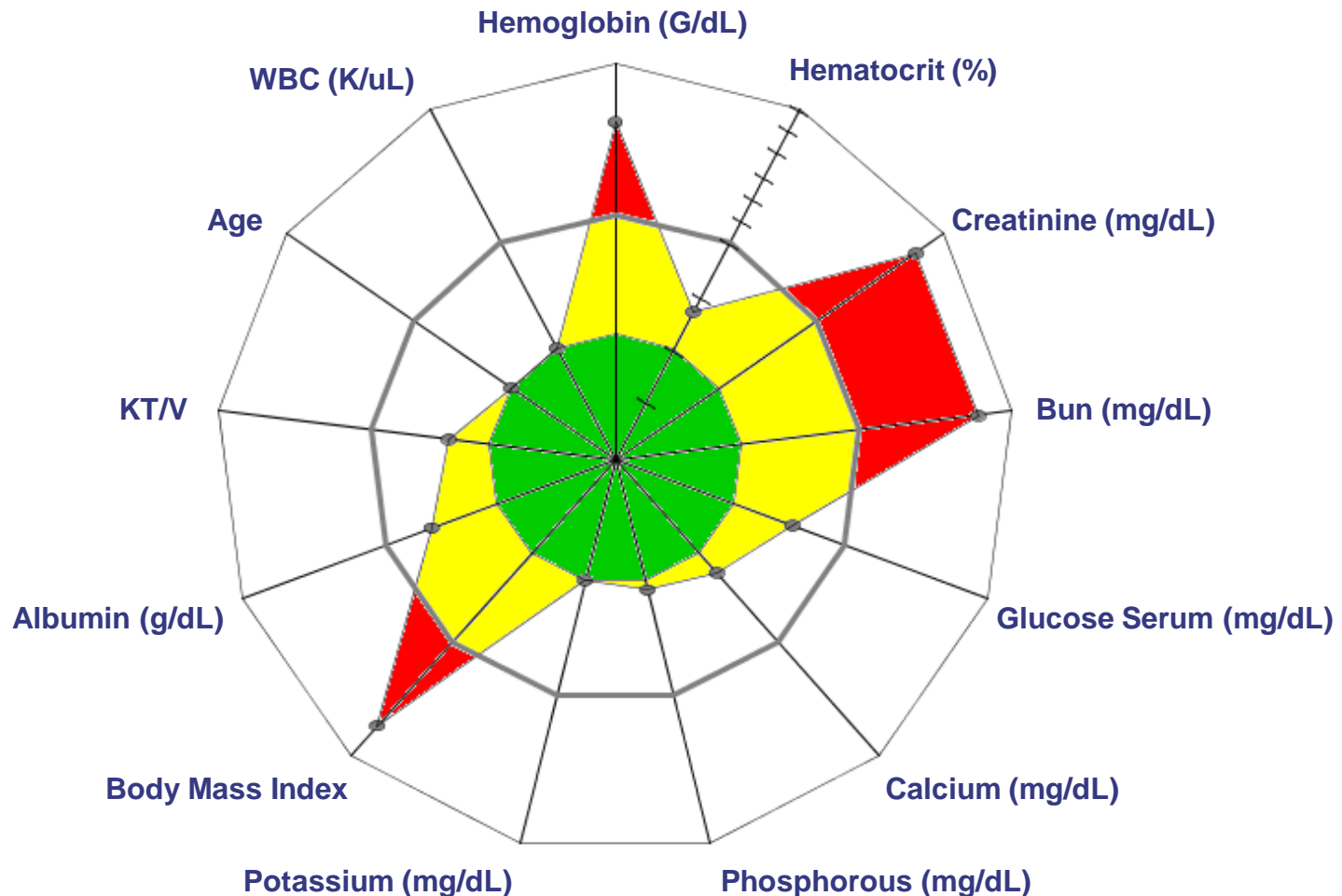
- No existing score for complexity
- When questioned on CPT use, providers generally respond:
 - “My patient was more complicated.”
 - “This was an unexpected result.”
 - “I see sicker patients than him.”

Need for Patient Complexity Index

- CPT codes alone are not a quality measure
- Payers, patients and providers all need to know outcomes
- Complexity must be measured in sound science
- Blood chemistry, diagnostic imaging and physical measurements provide these answers

The Patient Complexity Index

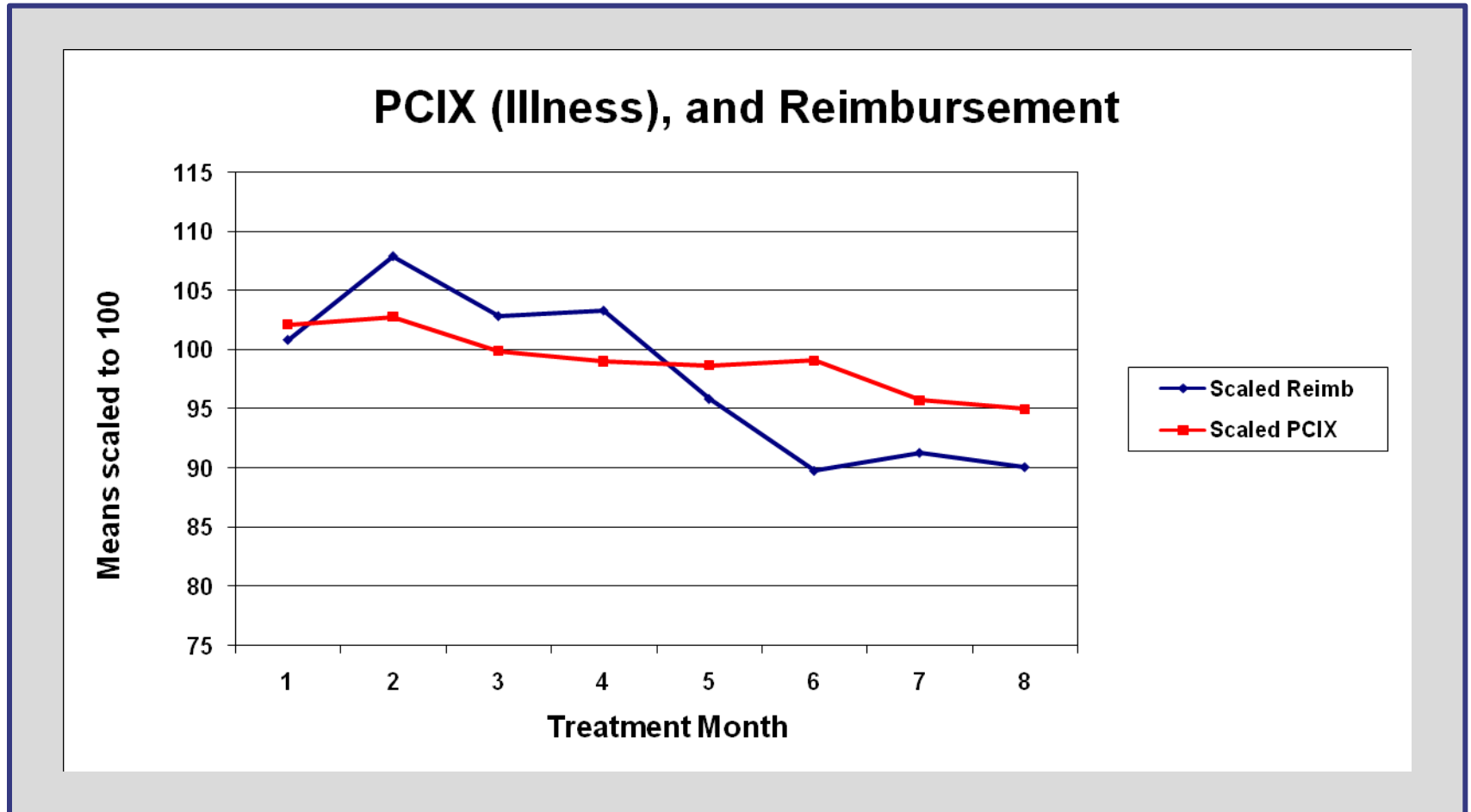
End-stage Kidney Disease



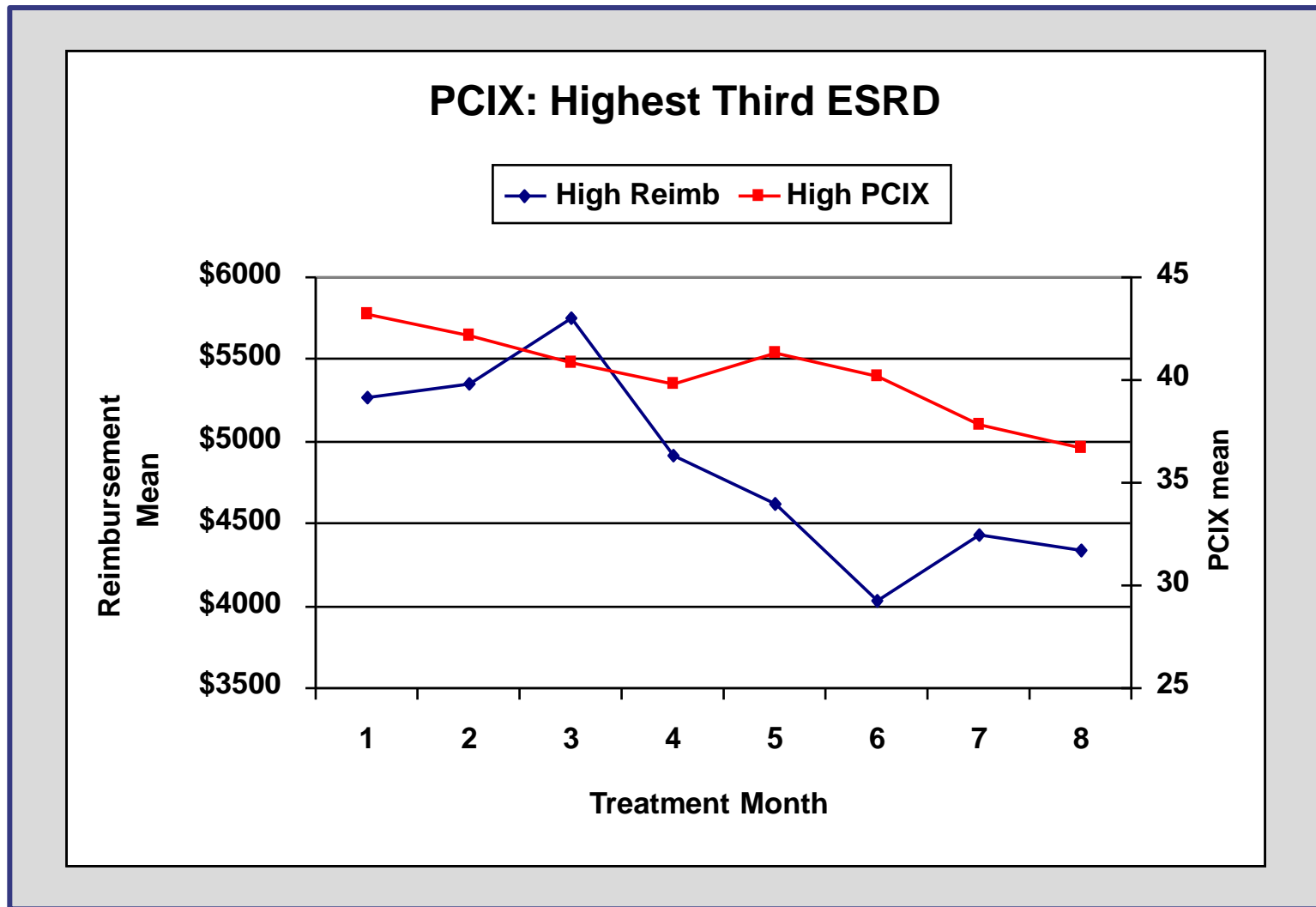
How PCIX Score is Derived

- Measure serum chemistry and diagnostic values
- Convert to standard deviation
- Plot as radar spoke scores
- Chart for specific conditions
- Add spoke values to calculate PCIX score

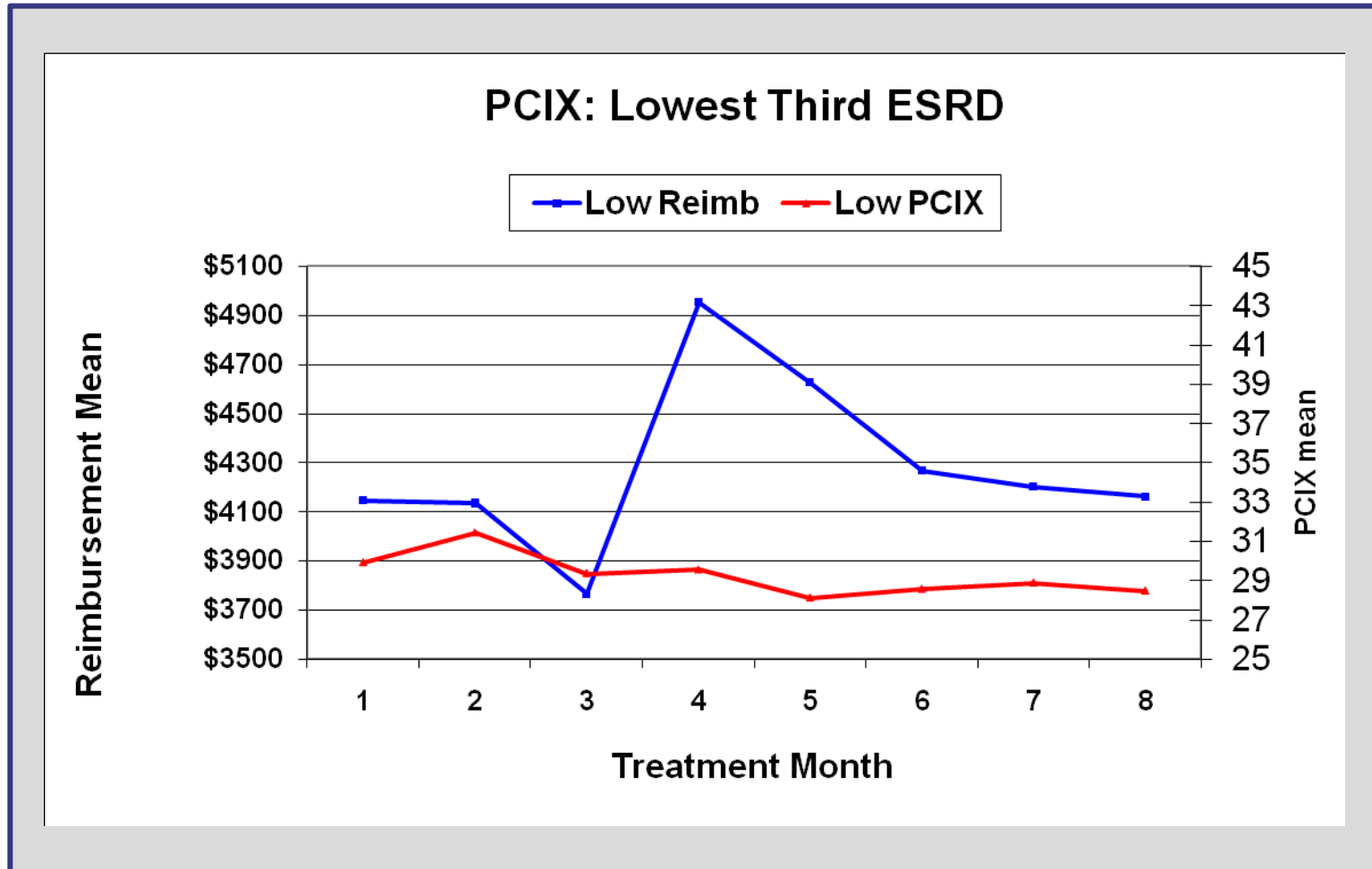
PCIX in ESRD



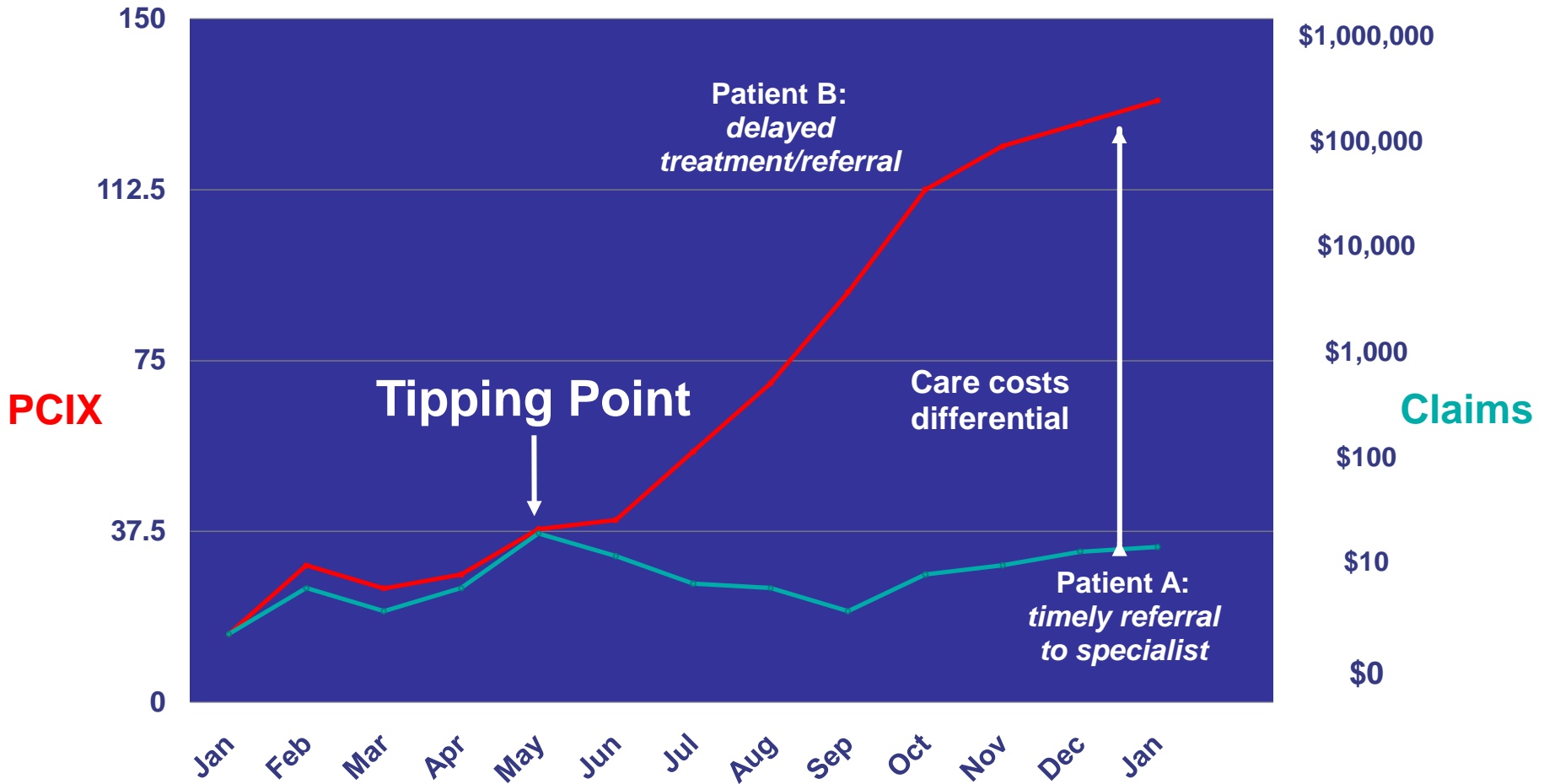
High Complexity = Low Return



Low Complexity = High Return



Tipping Point



Conclusion

PCIX paves the way to:

- Compare therapy in disease management
- Grade provider networks
- Encapsulate risk payment
- Improve consumer choice and transparency
- Provide models for risk adjustment
- Improve patient education

Thank You!

Questions/Comments:

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