



Fact Sheet

Physician Group Incentive Program

2012

About Value Partnerships

Value Partnerships is a collection of clinically oriented initiatives among Michigan physicians, hospitals and Blue Cross Blue Shield of Michigan that are improving clinical quality, reducing complications, controlling cost trends, eliminating errors, and improving health outcomes throughout Michigan.

About The Physician Group Incentive Program

The Physician Group Incentive Program (PGIP) began in 2005 to encourage and incentivize physicians to more effectively manage populations of patients and build an infrastructure to more robustly measure and monitor care quality. As of September 2011, 40 physician organizations (POs) across the state of Michigan representing nearly 15,000 primary care physicians and specialists are working together to improve health care for nearly 2 million Michigan Blues members. Additionally, PGIP is cultivating a healthier future for all Michigan residents by catalyzing all payer system development. Patients throughout the state, regardless of payer, benefit from the improved care processes developed through the PGIP provider community.

Increasing the Use of Generic Drugs

Overview

The goal of this Initiative is to incentivize POs to moderate escalating pharmaceutical costs by promoting generic prescribing when clinically appropriate. This Initiative is designed to share data with POs so that they may identify, track, and monitor opportunities to decrease pharmacy costs.

Objectives

- Promote the use of generic drugs and a low-net-cost strategy when clinically appropriate
- Decrease generic utilization variability among primary care physicians (PCPs) and specialists
- Increase PGIP's overall generic dispensing rate (GDR)

Incentive Design

Participating POs receive incentive payments based on overall GDR performance and improvement during a 24-month period. For each PO, the incentive payment is based on individual PO GDR performance relative to the performance of other participating POs and the Initiative's benchmark performers.

Participation Criteria

To participate in this Initiative, POs must currently participate in the Physician Group Incentive Program.

Evaluation

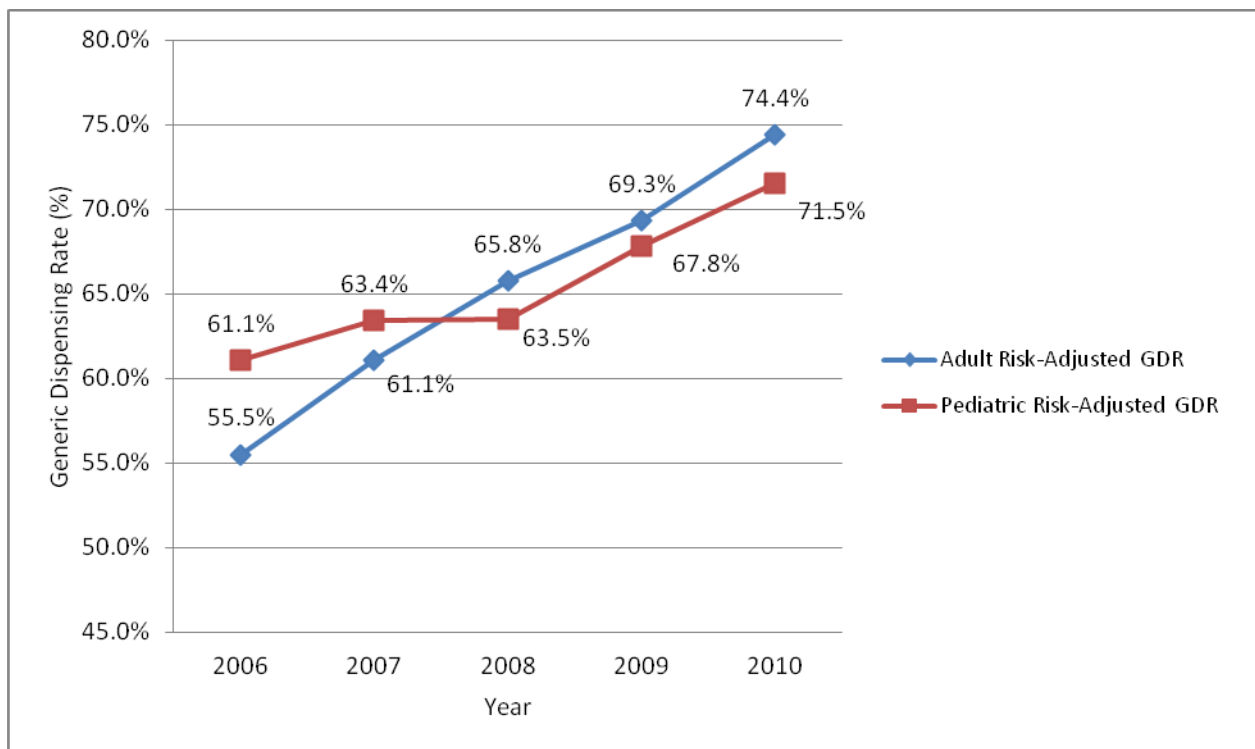
The evaluation is designed to assess the effectiveness of the Initiative in achieving stated goals and objectives. The evaluation plan includes measurement of short and long-term outcomes theorized to result from the Initiative's interventions.



Results

- The PGIP overall risk-adjusted GDR for CY 2010 is 74.4%.
- As of the 2011 PGIP program year, all 39 of the non-oncology PGIP POs elected to participate in the GDR Initiative.
- Among PGIP PCPs, approximately 2.2 prescriptions per PCP per month would need to change to a generic to increase the GDR by 1% (based on 2010 claims data).
- On average, PGIP's overall, risk-adjusted GDR rate for attributed adults grew by 7.6 percentage points per year between 2006 and 2010.

PGIP Overall Risk-Adjusted GDR for Attributed Adult & Pediatric population, 2006-2010



Questions about the *Increasing the Use of Generic Drugs Initiative*?

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For more information on PGIP, or for a copy of the full initiative plan, please contact:

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