



# 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.

#### **Radiology Management Initiative: Appropriate Use of Diagnostic Imaging Services**

##### **Overview**

The Radiology Management Initiative is designed to moderate the increase in diagnostic imaging costs by reducing inappropriate use of diagnostic radiology procedures and increasing the use of prior authorization through BCBSM's imaging benefit program. The provision of performance data to POs enables them to develop strategies based on their own radiology use and cost patterns.

##### **Objectives**

- Reduce variation in cost and use rates of imaging services among physicians and POs in PGIP by decreasing inappropriate imaging utilization
- Support POs' development and implementation of radiology management intervention plans to increase PO performance toward the benchmark
- Support POs' development and implementation of intervention plans to address self-referral rates

##### **Incentive Design**

POs earn financial incentives based on overall performance and improvement realized based on cost PMPM. Overall performance is evaluated by assessing the PO's utilization, measured as the total combined high- and low-tech imaging standard cost PMPM, against an established PGIP-specific benchmark and the PGIP average. The benchmark is calculated based on the average utilization performance (combined standard cost PMPM) of all the PGIP POs that have the lowest utilization and account for 20% of attributed population.

Improvement is evaluated by comparing a current 12 month combined standard cost PMPM with a prior 12 month combined standard cost PMPM and against the PGIP average improvement. For POs participating for the first time in this initiative, the first two payments will be based on overall performance. Improvement for new POs will default to the PGIP average for the payment period.



## Participation Criteria

All Primary Care Physicians (PCPs) are eligible to participate in the Radiology Management Initiative but must be a member of a PGIP PO. PCPs are defined as those practicing within Michigan with a primary specialty of General Practice, Family Practice, Internal Medicine, Pediatrics or Geriatric Medicine.

## Evaluation

The evaluation of the Radiology Management Initiative will address the intervention design and delivery, and will focus on the effects theorized to result from the intervention. These effects include short-term behavioral and knowledge-based changes, and long-term effects that include reducing inappropriate imaging utilization that subsequently may reduce cost or slow the cost trend. The evaluation is intended to provide insight into the effectiveness of the designed Radiology Management Initiative.

## Results

PO participation in the RMI has increased since its inception with 90% of PGIP POs participating in 2010, representing over 90% of PGIP primary care physicians (PCPs). Overall costs PMPM continue to increase, but at a slower rate since the inception of the RMI.

The following RMI results were observed when comparing 2010 results with 2009 results:

- High-tech imaging still accounted for the greatest proportion of radiology costs
- Total high-tech cost PMPM was \$16.01, an 8% decrease from 2009
- Total low-tech cost PMPM was \$9.05, a 5% decrease from 2009
- Total imaging PMPM costs dropped by 3.5%, attributed to a drop in PMPM for nuclear medicine and PET scans
- High-tech imaging services per 1,000 dropped by over 11%, attributed to a drop in services per 1,000 for nuclear medicine and PET scans\*
- Low-tech imaging services per 1,000 increased by 4.6%
- Total imaging services per 1,000 increased by less than 1%
- Results of the Summer 2011 Progress Report indicates:
  - 83% focus on back/spine imaging; 17% focus on knee imaging; 11% focus on shoulder imaging
  - POs focusing on specific imaging services: 94% focus on MRI use, 91% focus on CT scan use, 20% focus on x-ray use, 11% focus on ultrasound use, 46% focus on nuclear medicine imaging use, 23% focus on PET scan use, while 20% focus on low tech services use
  - 77% chose these focus areas because of the high volume of patients, 91% chose these areas because of high costs, 17% chose their focus area because of high risk
  - 54% of POs reported developing a practice guide for appropriate radiology use
  - POs developing a practice guide : 58% use a guide for low back pain, 21% use a guide for cardiac imaging/testing, and 21% use a guide for MRIs

Questions about the Radiology Management Initiative?

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

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