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**Statement of the
Quincy Medical Group
Quincy, Illinois**

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**Before the
Subcommittee on Health
Committee on Ways and Means
United States House of Representatives**

**Re: Physician Organization Efforts to Promote High Quality Care and
Implications for Medicare Physician Payment Reform**

July 24, 2012

Physician Organization Efforts to Promote High Quality Care and Implications for Medicare Physician Payment Reform

Rewarding High Performance A Path to Addressing the Sustainable Growth Rate

Chairman Herger, Ranking Member Stark and Members of the House Ways & Means Health Subcommittee, on behalf of the Quincy Medical Group (QMG), a multispecialty clinic in Southern Illinois, Northwestern Missouri and Southeast Iowa, we are pleased to submit the following testimony to the Subcommittee on ways to improve health quality and efficiency in the Medicare program, particularly as such efforts pertain to ongoing efforts to reform Medicare's Sustainable Growth Rate (SGR) physician payment formula. QMG commends this panel for its efforts to address this fundamentally flawed system.

Founded in 1937, QMG is one of the leading multispecialty group practices in the Midwest, with a network of more than 130 physicians and providers including a primary care network of Rural Health Clinics (RHC) and specialists practicing in 27 medical and surgical specialties. Our group provides quality health care services to more than 300,000 people annually in the Tri-State area (e.g. Illinois, Missouri and Iowa), and over half of our annual revenues are from Medicare and Medicaid. QMG has recently become an affiliate of the Iowa Health System (IHS), one of the nation's most integrated health systems. Through relationships with 26 hospitals in metropolitan and rural communities and more than 200 physician clinics, IHS provides care with the vision of delivering the best outcome for every patient every time.

QMG holds itself to the highest ethical standards and subscribes to a multispecialty group practice philosophy whereby physicians and other providers are committed to working together under a collaborative model to improve the health status of the people whom we serve. It is in this spirit that we are pleased to offer testimony on initiatives underway at QMG that have shown great promise – from both a quality improvement and cost-savings vantage point – and that we believe may serve as practical case studies to the Congress as it seeks to reform Medicare's physician payment system.

High Performance Leads to Value

The rising cost of health care and the demand for better outcomes are driving an expectation among payers and patients for providers to more effectively leverage their data to improve quality, delivery and patient satisfaction. In essence, all parts of the industry are increasingly demanding higher value.

At QMG we believe that high performance includes accountability for both quality and cost. The current SGR payment mechanism under the traditional Medicare fee-for-service (FFS) construct works counter to such accountability. **We believe high performance can be measured and should be rewarded within any new physician**

payment paradigm. If appropriately constructed, rewarding high performance can shape the path toward lower overall cost with simultaneous improvement in quality.

This *value* can be observed in a variety of activities being undertaken by some of the most progressive multispecialty medical groups and health care systems across the country. Specifically, we believe high performance includes a strong emphasis on measuring quality, improving care coordination, utilizing information technology, and demonstrating efficient provision of services. Below are examples, but certainly not all of the ways, QMG is working in each of these key areas.

High Performance Includes Measuring Quality

QMG measures and reports on the quality of care delivered to its patients through both internal and external initiatives. QMG operates a Physician Leadership Institute with 19 current enrollees. Each physician is an active participant in a work subgroup focused on moving the organization toward the triple aim of healthcare. One subgroup of physicians is actively working on patient satisfaction improvement initiatives within our organization.

QMG actively measures patient satisfaction via two synergistic methods. The first is a standardized Clinician and Groups CAHPS (CG-CAHPS) survey administered by Press-Ganey to patients at random. CAHPS surveys are patient experience tools used widely in the industry. The tool focuses on access to care, physician communication, office staff, and an overall provider rating. The second method is a more real-time approach to improving satisfaction through the use of Opinionmeter Kiosk surveys in our offices. The Opinionmeter provides QMG the ability to offer short surveys at the time of patient checkout in a very flexible fashion. For example, questions can be changed at any time to help the organization learn and focus on areas that have been identified for improvement. The data is available real time for analysis enabling a more nimble approach to process improvement.

Another QMG Leadership Institute subgroup is actively working on the development of quality measurements around chronic diseases which can lead to more standardization of care. The subgroup's effort on diabetes is leading to a clinic-wide report card with quality metrics such as HbA1c, LDL cholesterol, foot exam, blood pressure, retinal eye exam and vaccine compliance. QMG recently received the distinction of being named a National Committee for Quality Assurance (NCQA) recognized site for diabetes care.

QMG is a current participant in the Physician Quality Reporting System (PQRS) initiative, e-Prescribing (eRx) Incentive Program, and Electronic Health Record (EHR) Meaningful Use Incentive Program. QMG uses several software programs to extract the required data for the reporting required within these Medicare incentive programs. These programs have helped encourage strong primary care and specialist adoption of our EHR. Consequently our patients and providers benefit from features like drug to drug interaction alerts while e-prescribing. We believe that these programs are foundational to moving the physician sector toward quality measurement and improvement.

QMG also works with commercial payers such as Humana through a Medicare Advantage (MA) product to actively incentivize quality and cost reduction. Through a value-based contract, Humana provides QMG standard FFS payments but supplements those with per member per month Care Coordination reimbursement recognizing QMG's Level 3 Patient Centered Medical Home (PCMH) model of care. In addition, the Humana contract has a series of quality rewards tied to measures including breast cancer screening, glaucoma screening, colorectal cancer screening, cholesterol management, comprehensive diabetes care, osteoporosis management, 30-day readmission rate, health risk assessment completion rates, generic dispensing rates, mail order pharmacy rates, and chart and lab data access. If these quality goals are attained, QMG has the opportunity to share in savings below an agreed upon total spending target. This program is in its first year of implementation, and due to the patient demand and popularity of the MA program, we anticipate a significant increase in beneficiary enrollment at the next plan entry date. We believe working with our commercial payers on value based models eases regulatory barriers substantially. And to the extent congressional SGR solutions can come with realistic regulations, physician acceptance should increase.

Finally, QMG is a participant in the Medicare Shared Savings Program (MSSP) via the Iowa Health System Accountable Care Organization (ACO). This program will require quality measurement on 32 elements, a high level of rigor for any health organization. With over 18,000 Medicare beneficiaries attributed to QMG primary care providers, we have a great opportunity to test the MSSP model in our efforts to advance quality and reducing cost.

High Performance Includes Improving Care Coordination

QMG believes care coordination is critical to high performance. We also believe the multispecialty group practice model has many advantages in care coordination. This model of practice typically unites a wide array of specialists with primary care physicians to work together in a more efficient fashion. This efficiency is found on many levels including better and timelier information sharing, broad quality and patient satisfaction programs, economic operating efficiency, and engaged physician leadership and governance. These attributes are critical to the work and progress that needs to be accomplished to effectively meet the triple aim of healthcare to improve quality, lower cost, and exceed patient service expectations.

For example, QMG uses a variety of physician-led committees and work groups to advance improvement initiatives. Our Physician Leadership Institute subgroup working on quality initiatives includes a pediatrician, internist, obstetrician, urologist, and neurosurgeon. This multi-disciplinary team is working specifically on ways to lead the organization toward an even higher level of quality measurement and improvement. While quality development and standardization can evolve differently in different regions

of the country, we believe there is value in such an approach particularly when it is physician led.

Another excellent example of improved care coordination resides in the PCMH model. The Patient-Centered Primary Care Collaborative recently released a report that summarized findings from PCMH demonstrations and concluded that findings from PCMH demonstrations show success in increasing the quality of care and in reducing cost of care on some measures. Recently, QMG received the highest level of recognition (Level 3) from NCQA under the PPC-PCMH Program – a coveted recognition held by only 98 physicians and providers in the State of Illinois. Under this model, 27 of the State’s 98 physicians and providers with Level 3 recognition are providers with QMG. QMG has also submitted application for Level 3 recognition for its other 13 primary care physicians and providers working in its 10 clinic locations outside of Quincy, Illinois. Based upon our experience, we fully anticipate Level 3 recognition for all of our remaining 13 primary care physicians and providers. The PCMH model focuses on care coordination, improved access to care and patient satisfaction. Specifically, NCQA recognition requires meeting 10 must pass elements in the areas of: access and communication; patient tracking and registry functions; care management guidelines for important conditions; patient self-management support; test tracking and follow-up; referral tracking; quality performance reporting and improvement; and patient experience reporting and improvement. An additional 20 elements are pursued to earn enough points to reach 1 of 3 levels of recognition, with level 3 being the highest. Many commercial insurers around the country are now recognizing the benefits provided within the PCMH model of care. As such we believe part of the SGR solution can be found in incentivizing a broader deployment of the PCMH model of care.

Building upon QMG’s PCMH model of care, we are about to enter into an agreement with Blue Cross & Blue Shield (BCBS) of Illinois for an Intensive Medical Home program. This program uses a Verarisk methodology to identify the most chronic patients in our BCBS insured population. Each patient is then invited to participate in the IMH program which includes a super visit for treatment plan development and education. BCBS provides funding through the program for the addition of nursing care coordinators who are responsible for daily care coordination and monitoring of the IMH patients. In addition the program provides incentives for both quality and cost management. Quality measures include LDL cholesterol screening, HbA1-C testing, depression screening, medication reconciliation, patient outreach, and physician-patient shared action plan rates.

QMG believes a population health focus is important. For that reason, QMG now offers a Medicare Weight Loss Clinic, a new service covered by Medicare in 2012. This service provides intensive weight loss counseling for Medicare beneficiaries through a team of registered dietitians and diabetes educators working under the supervision of a physician. Enrollment has grown quickly to 82 people with over 300 visits, and our data indicate that approximately 94% of enrollees are meeting the criteria of 6-pound weight loss in their first 6 months of the program. The benefits of weight loss reduction are clear and are a key contributor to overall health improvement. By coordinating this aspect of

care within routine physician examinations, beneficiaries are able to receive direct education and recommendation into the program. While this program is not reimbursed at a level that allows it to produce break-even financial results, when coupled with our diabetes self management service, we are able to job share across teams, thus achieving some economies of scale and allowing the combined services to break even, making it feasible for QMG to provide these services to patients while helping to lower costs.

QMG is developing an Intensivist Program to measure quality, reduce average length of stay, and implement standardized protocols within the intensive care unit at our local hospital. This program would provide in-hospital staffing 24/7 by either a physician or nurse practitioner assigned to the intensive care unit to ensure that care is most effectively coordinated among the attending physician and variety of consulting physicians on the case. These efforts are anticipated to reduce the overall cost of care while improving quality. The program will measure and hold physicians accountable for items including but not limited to patient satisfaction, core measures, length of stay, and meeting standards for communication during transition of care setting.

QMG has launched other care coordination efforts outside of the Medicare Physician Fee Schedule (MPFS) space that are demonstrating reduction in cost and quality improvement. These initiatives include a new Nursing Home Care Coordination model and a progressive Home Dialysis Program (HDP) that includes both home hemodialysis and peritoneal dialysis modalities. The Nursing Home Care Coordination model is a natural extension of the PCMH model and the HDP program a natural officebased model for nephrologists in any market.

We believe incentivizing care coordination for multispecialty groups and PCMHs has strong merit and can directly improve the physician cost of care. At the same time, as Congress looks to find numerous ways to fund SGR solutions, we believe it also prudent to incentivize programs with tangible savings and improved quality such as those highlighted above.

High Performance Includes Using Information Technology

We believe the use of EHR technology is vital for every physician, single specialty group, multispecialty group, or system to attain high performance. Consequently, QMG is a high level user of EHRs. Our EHR facilitates eRx among our physicians for all prescriptions, with the exception of Schedule II Controlled Substances, in addition to streamlining the care processes by enabling physicians to conduct electronic charge order entry; procedure or testing order entry; as well as order (and view) lab and imaging-related results, immunization and wellness tracking, allergies, and active problem lists. QMG continues to work diligently to draw additional application out of the EHR through the development of standardized protocols around chronic disease such as diabetes. QMG is on track to attain EHR meaningful use for all of its physicians despite only half of the physicians being able to receive meaningful use incentives.

We believe Congress did not intend that Rural Health Clinic primary care physicians be unable to receive incentives from the Meaningful Use incentive program. H.R. 3458 which was introduced by Rep. Aaron Schock (IL) and co-sponsored by Rep. Blumenauer (OR) of this Subcommittee would provide the technical correction needed to address this oversight. We respectfully urge swift passage of H.R. 3458.

QMG uses two solutions to deliver a Patient Registry type solution. Phytel is software that queries our databases to identify patients with potential gaps in both their treatment plan and wellness recommendations. Over the past eight months, QMG has used Phytel to identify 10,433 unique patients with identified Gaps in Care. Of these, 3,800 have either scheduled or had an encounter to become compliant in their treatment plan. This proactive technology-driven approach to population management is having a positive impact. Gaps in Care currently being targeted by QMG include Asthma, Chronic Obstructive Pulmonary Disease (COPD), Diabetes, High Cholesterol, Hypertension, Thyroid Disorder, Wellness Exams and Vaccines. QMG also uses features imbedded within its EHR that alert a provider to various Gaps in Care at the time of an encounter or visit. This Health Maintenance Alert feature enables nursing and providers to provide more comprehensive data driven care at the time of service.

Physicians and nurses find these features very helpful as they manage a population. Patient registries make use of the underlying data in EHR, billing, and lab systems. The built-in intelligence allows the care team to work in a more proactive and efficient manner instead of having to comb through stacks of paper charts or click through scores of electronic screens. Another example within registries is allowing the practice to query data over a population and sort by physician or care team to determine the effectiveness of the team to attain patient compliance with standard treatment, preventive and wellness recommendations. The use of these systems has helped us identify patients delinquent on routine mammograms, screening colonoscopies, immunizations, and important chronic disease follow up visits.

QMG is completing implementation and approaching launch of a new Patient Portal. This product, which is currently available to all QMG employees, enables patients to view their lab results, appointments, problem list, medications, allergies, and wellness recommendations in a secure online platform. We anticipate launch, in August of this year, to all of our patients. Through the use of the Patient Portal, patients will also have the ability to connect to other participating health organization, thereby enabling patients to aggregate and view their medical records from multiple sources. (This unique product is offered by JarDogs, a subsidiary of the Springfield Clinic of Springfield, IL). For example, through the use of this technology, a given patient would be able to view their data from QMG, Springfield Clinic, Memorial Hospital in Springfield, IL, and eventually all Iowa Health System organizations.

QMG is also seeking a means to implement a Telehealth Enabled Care Coordination (TECC) project within its shared savings models with Medicare and other payers. This rapidly deployable telehealth solution, called the Health Buddy, would lead to large-scale

health care improvements and significant cost reductions in multiple care provider settings. Participants will have been diagnosed with at least one of the following chronic conditions: heart failure, complex diabetes mellitus and chronic obstructive pulmonary disease (including relevant co-morbidities). Prior studies performed by other multispecialty groups with the Health Buddy have demonstrated cost reduction of near 15% for chronic disease patients. Through use of the Health Buddy, these high-risk patients experience higher satisfaction, better access to care, and improved health. At a time when Medicare needs solutions, we believe that solutions like the Health Buddy offer tangible answers to many of the healthcare system's ailments.

Furthermore, as the Committee looks to advance alternative payment models to FFS, QMG would encourage you to consider where funds under the MPFS might be further expanded or better directed, particularly with respect to accelerated efforts across the country to implement telemedicine. While the Calendar Year (CY) 2012 MPFS released last November expanded the list of services that can be furnished through telehealth to include, for example, smoking cessation services, despite this strong initial foundational step, this level of coverage is far from adequate to support the more robust telemedicine capabilities that providers so desperately seek to adopt but for which significant resources are still sorely needed.

Finally, as a part of its affiliation with the Iowa Health System, QMG will also soon be using the Explorys data tool. Explorys provides a secure cloud-computing platform that empowers accelerated research, while enabling real-time exploration, performance management, and predictive analytics for the Medical Home and formation of ACOs. This type of tool adds value beyond simple registries as it can assimilate data across care settings and time. Explorys will allow QMG to leverage our data into value based initiatives and shared savings, with commercial payers, Medicare, and MA, as it brings together data from clinical, financial, and operational systems. While the Explorys tool is being made available to QMG by the larger Iowa Health System, similar tools such as Anceta are available in the marketplace and are being used by other high performing progressive multispecialty groups.

High Performance Includes Demonstrating Efficient Provision of Services

We believe that high performance requires a balanced approach and that means active engagement to develop ways to demonstrate cost reduction. At the same time, it is important to note that differing parts of the country are starting from different baselines. Some areas are high cost today while others already demonstrate a much more efficient system. These geographic differences cannot be overlooked in any successful SGR solution that rewards high performance.

QMG has another subgroup within its Physician Leadership Institute that is working to identify and implement numerous additional ways to reduce the total cost of care. This team is exploring ways to reduce emergency room visits in the community, reduce

avoidable admissions and readmissions to the hospital, increase generic prescribing, and measure appropriate use of imaging and testing services.

Patient Involvement

QMG encourages the Subcommittee to provide beneficiaries financial incentives or assist physicians in the deployment of models that utilize higher value services such as the medical home model and other chronic disease prevention initiatives discussed above.

Alternative Payment Models

QMG fully supports efforts to move away from the traditional FFS payment system to one that more accurately (and fairly) rewards physicians for care improvement and efficiencies. However, it is important that the Federal government be cognizant of the transitional costs incurred to the participating providers that are inherent in this type of change.

Summary

QMG would like to briefly reiterate our desire that any newly-devised or reformed payment system be flexible to the extent that it supports, not stifles, innovations being undertaken at QMG and other high performing multispecialty physician group practices across the country. Any reforms that are under consideration by the Committee, or that are still in the process of being implemented by CMS need to be able to “work” for all physicians, in all specialties, and across different platforms that may typically fall outside of Medicare’s traditional reimbursement construct.

In closing, we believe activities like those described above are essential to high performing multispecialty groups and systems. As Congress works to cure the SGR ailment we would suggest that an approach of “*shaping the path*” be taken. Due to the extensive complexity of the SGR issue, we believe incentivizing high performance can begin to move the industry in a much needed direction. In all likelihood, we believe any solution will need to continue to be modified over time.