



June 19, 2008

TO: ALL PARTICIPATING P4P PRACTITIONERS

RE: SIGNIFICANT CHANGES TO THE P4P INCENTIVE PROGRAM

Dear Practitioner:

As you are all aware, the state of California faces a record budget deficit. Unfortunately, to address the budget deficit, the Governor and the state legislature have approved a 10% Medi-Cal provider rate reduction effective July 1, 2008. This reduction includes an actuarially equivalent reduction for IEHP.

In addition to this reduction, IEHP is experiencing significant increases in pharmacy and inpatient costs. The pharmacy cost increases are due to increased numbers of prescriptions by physicians, as well as increased costs for medications.

Due to the above, IEHP must make significant changes in the physician P4P program. Based on recommendations from the Provider Advisory Committee and changes approved by the Governing Board, **the following changes to the P4P program will be effective for dates of service starting July 1, 2008:**

- Elimination of Well Child Bonus #1
- Elimination of Well Child Bonus #2
- Bonus #3 – Submission of a complete immunization “yellow card” will remain in place, and **effective June 1, 2008**, only 2 Hib shots (due to shortage) will be required for complete submission.
- Reduction of the reimbursement for vaccine administration from \$7.00 to \$4.50. Multiple antigen shots will be paid at \$9.00 for two antigen shots and \$13.50 for three antigen shots.

If you have any question regarding the information above, please contact the Provider Services Team at (909) 890-2054.

Sincerely,

Bradley P. Gilbert, MD
Executive Officer

William Henning, DO
Chief Medical Director

cc: Eric Haden, Chief Network Officer, IEHP
Jane Maass, Sr. Director of Operations, IEHP
Susie White, Director of Network Operations, IEHP
Jacob Diekmann, Director of Healthcare Analytics, IEHP