



A Public Entity

Inland Empire Health Plan

PHARMACY TIMES

BY IEHP PHARMACEUTICAL SERVICES DEPARTMENT

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2016-2017 Pharmacy P4P Program Update

Dear Pharmacy Providers,

This is to notify you of the new changes in the IEHP P4P Program effective October 1, 2016. During the past 12 months, we have seen a lower-than-expected performance in the P4P Program. As a result, IEHP will implement the following changes to align our incentives to promote performance:

Changes to 2016-2017 P4P Program

- ✓ P4P budget will reduce from \$10m to \$7m in 2016-17
- ✓ Pharmacy Home Program and MTM budget will increase from \$5m to \$8m, signaling the shift from P4P to outcome-based MTM activities
- ✓ Removal of High-Risk Medication Measure
- ✓ Changes in P4P Threshold in all Measures (see New P4P Threshold table)
- ✓ Elimination of two-tier P4P payment level (Target (3-star) and Bonus (5-star))
- ✓ 100% P4P payment when the 4-Star level is met

Final 2016-17 IEHP P4P Measurements

1. PDC- Diabetes
2. PDC- RASA
3. PDC- Statins
4. Absence of controller therapy (Asthma)
5. Suboptimal control of Asthma
6. Statin Use in diabetes patients
7. Generic Dispensing Rate

2016-17 Scoring Methodology and Payment adjustment

Despite the availability of P4P incentives and the broader efforts around Pharmacy Quality Management, IEHP believes the result can improve further. The new adjustment is set up to boost performance in the P4P measures.

Scoring Methodology

| Measures | Allocation for 2016-2017 Program |
|---|---|
| Proportion of Days Covered - 3 separate measures (HTN, Diabetes, and Statin) | 3x1.5=4.5 |
| Asthma Suboptimal Control | 2* |
| Absence of Controller Therapy | 2* |
| Statin Use in Diabetes | 1 |
| Generic Rate | 0.5* |
| Total | 10 |

* Adjustment in 2016-17

New P4P Threshold by Measures

| Measures | 100% P4P Payment Level | 1 Star | 2 Stars | 3 Stars | 4 Stars* | 5 Stars |
|---------------------------------------|------------------------|--------|-------------|------------|------------|---------|
| Proportion of Day Covered - Diabetes | >90.2% | <80.4% | 80.4-85.3% | 85.4-90.2% | 90.3-94.2% | >94.2% |
| Proportion of Day Covered - HTN | >87.9% | <80.3% | 80.3%-84.2% | 84.3-87.9% | 88-89.9% | >89.9% |
| Proportion of Day Covered - Statins | >86.90% | <78.3% | 78.3-82.2% | 82.3-86.9% | 87-90.9% | >90.9% |
| Statin Use in Persons with Diabetes | >70.9% | <60.6% | 60.6-65.4% | 65.5-70.9% | 71-74.9% | >74.9% |
| Asthma- Absence of Controller Therapy | <38.2% | >54.3% | 45.4-54.3% | 38.2-45.3% | 32-38.1% | <32% |
| Asthma- Suboptimal Control | <9.6% | >15.7% | 13.9-15.7% | 9.6-13.8% | 8.1-9.5% | <8.0% |
| Generic Dispensing Rate (GDR) | >85.00% | 83% | 83-83.9% | 84-84.9% | >85% | >88% |

*P4P Payment Threshold

P4P Payment Eligibility Criteria (No change)

- Must be a Contracted IEHP (via IEHP contracted PBM) Community Pharmacy Provider
- IEHP Pharmacy Provider in good standing (free of outstanding fraud, waste and abuse investigation)
- Store location within San Bernardino and Riverside Counties
- Annual IEHP Rx volume over 1,000 (500/6 months)
- Pharmacy must be in business during the entire evaluation period
- Base criteria on number of members qualifying for majority of clinical measures (require at least 10 members qualifying for 4 out of 7 clinical measures)

IEHP P4P Program Transition

Starting in 2016, IEHP has launched the Pharmacy Transformation Program and Pharmacy Home Program. The transition signals the start of the 3rd phase of our Pharmacy Quality Program initiative. In the Pharmacy Home Program, qualified pharmacies (high performing or approved through the Pharmacy Transformation Program) are eligible to participate and provide outcome-based MTM services. In addition, only Pharmacy Home Program Providers will be eligible to participate in any future IEHP Community Pharmacy Clinical Program.