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**VALUE** IN HEALTH CARE

# **The TCoC Project:**

**Practice-level Total Cost of  
Care and Resource Use  
Reporting for Primary Care  
Physician Groups**

**APCD Workshop  
October 30, 2015**

# What is the TCoC Project?

- Funded by the Robert Wood Johnson Foundation
- Lead by Network for Regional Healthcare Improvement (NRHI)
- Phase I Participants:
  - CIVHC – Colorado
  - Maine Health Management Coalition
  - Minnesota Community Measurement
  - Midwest Health Initiative – St. Louis, MO
  - Oregon Health Care Quality Corporation
- Purpose:
  - Implement the NQF-endorsed, Health Partners TCoC and RU measure set across multiple regions
  - Identify drivers of regional healthcare costs and develop strategies to reduce spending at the community level
  - Report results on an attributed patient basis to physician groups

# Phase I Project Timeline

- Project started November 1, 2013
- Early phase I activities:
  - Dry run based on 2012 commercial claims data
  - Develop physician group report format and content
- August 2014, National Physician Leadership Seminar at Stanford University
- Fall 2014, Generate initial reports based on analysis of 2013 commercial claims data
- April 2015, Deliver reports to 50 CO-based PCP groups
- April 2015, National Summit, Washington, DC

# Features of the TCoC Project

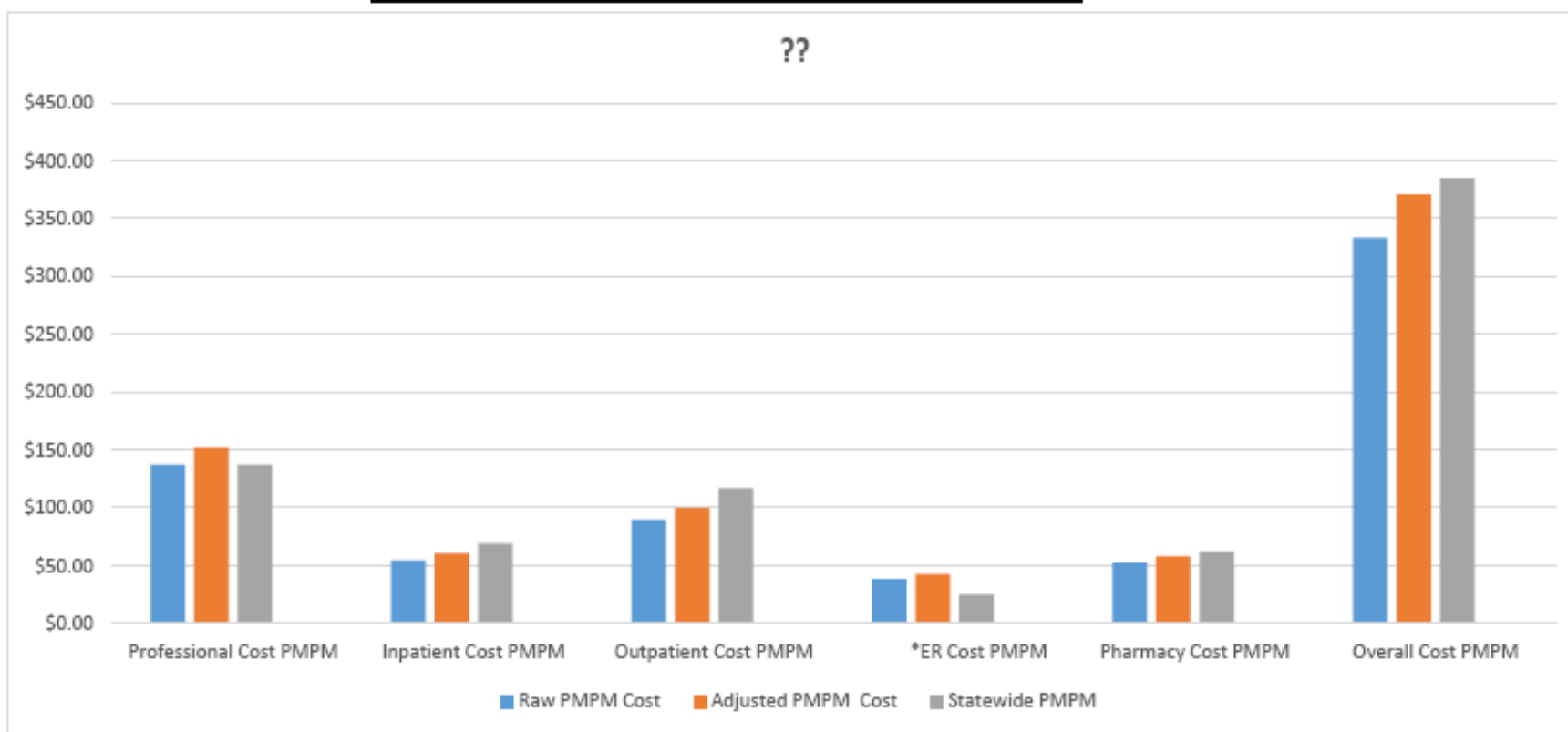
- Differs from previous studies in that the focus is on claims data submitted by commercial payers
- Apply a common, NQF-endorsed TCoC and RU measure set across multiple regions
- Standardize data inputs and methodologies (e.g., risk adjustment and attribution) to the extent possible
- Develop overall, and state and local benchmarks to facilitate meaningful comparisons
- Report results to physician groups on an attributed patient basis
- Recruit physician champions to participate in a National Physician Leadership Seminar
  - Led by Dr. Jay Want, CIVHC Chief Medical Officer
  - Develop strategies for using results to reduce costs while maintaining quality

Physician Group Name:

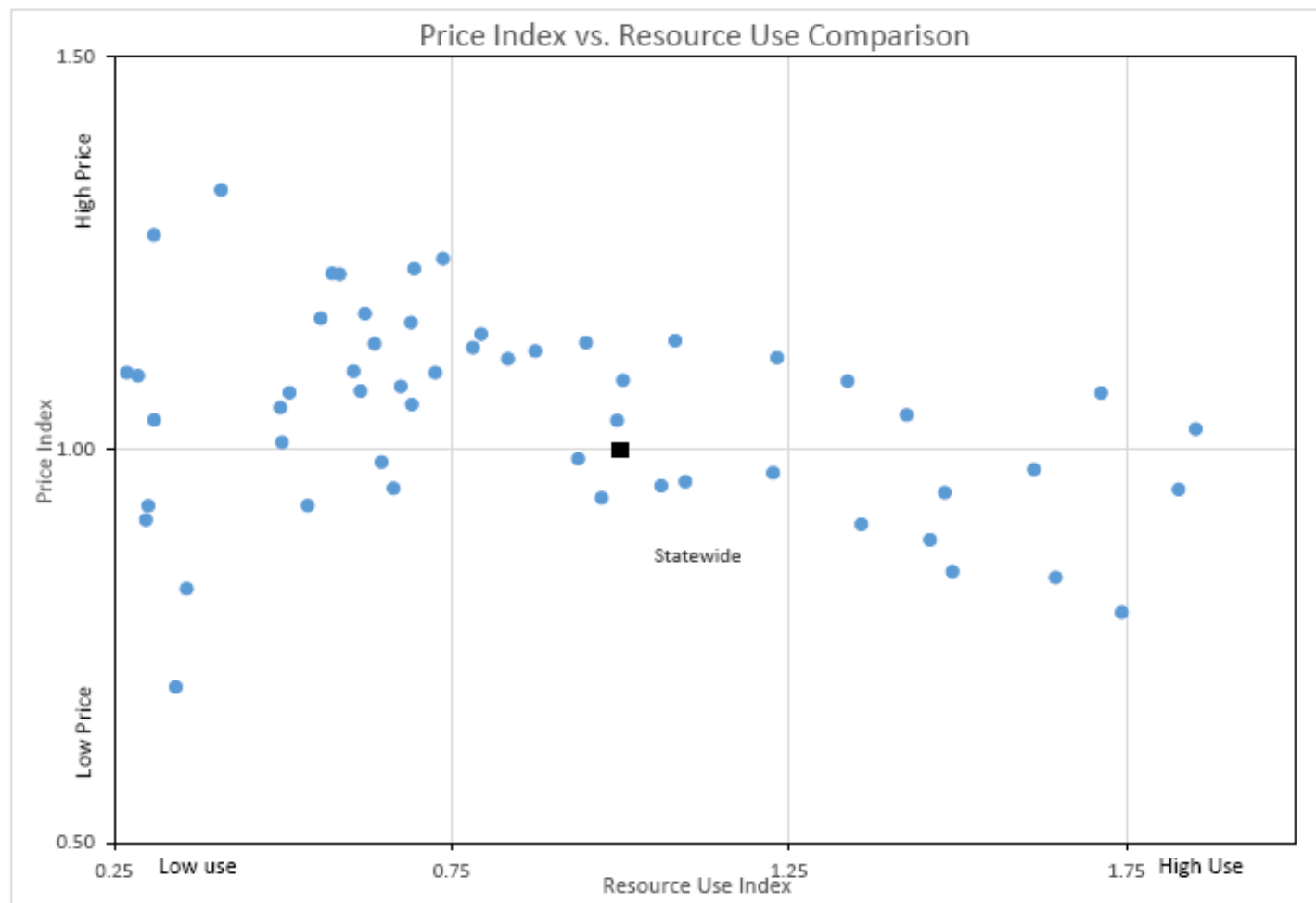
Summary by Service Category

	PCP Group		Colorado		PCP Group		
	Raw PMPM Cost	Adjusted PMPM Cost	Statewide PMPM Cost	Statewide PMPM	Price TCI =	Index	x RUI
Professional Cost PMPM	\$137.19	\$152.43	\$137.19		1.11	1.11	1.00
Inpatient Cost PMPM	\$54.65	\$60.72	\$68.99		0.88	0.73	1.20
Outpatient Cost PMPM	\$89.56	\$99.51	\$116.95		0.85	1.04	0.82
<b>*ER Cost PMPM</b>	<b>\$38.25</b>	<b>\$42.50</b>	<b>\$24.96</b>		<b>1.70</b>	<b>2.00</b>	<b>0.85</b>
Pharmacy Cost PMPM	\$52.11	\$57.90	\$61.85		0.94	0.80	1.17
Overall Cost PMPM	\$333.51	\$370.57	\$384.98		0.96	0.93	1.04

	Physician Group	Statewide
% Female	53	57
% Under 18	18	25
Attributed Members	1754	100,164
Risk Score	0.90	1.00



\*ER is a subset of Outpatient.



#### Definitions

Average Risk Score:	a weighted average of all enrollees' individual risk scores which is based on the demographics and disease burden of the population.
TCI (Total Cost Index):	a risk-adjusted measure of the cost effectiveness of managing patient health care relative to the Colorado average and reflects both the volume and price of services provided.
Price Index:	a risk-adjusted measure of the price component of managing patient health care and is affected by fee schedules, referral patterns and site of service.
RUI (Resource Use Index):	a risk-adjusted measure of the volume of health care services used to manage patient health care relative to the Colorado average.
Raw Per Member Per Month (PMPM):	the total amount paid, by both the health plan and the patient (for all attributed patients) divided by the total number of member months.
Adjusted PMPM:	the Raw PMPM amount risk adjusted based on the Johns Hopkins ACG System. This facilitates comparisons to other PCP groups by taking into account differences in disease patterns, age and gender.

# TCoC Phase II

- Work began May 2015
- Led by NRHI and funded by RWJF
- Two additional participants: Utah and Maryland
- Build out reports to include additional detail and more actionable information
- Analyze additional years of claims data – 2014
- Perform trending analysis of results for 2012 – 2014
- Assess impact of alternative risk adjustment and attribution methodologies

# TCoC Phase II

- Explore application of measure set to Medicare and Medicaid
- Continue physician outreach and engagement activities
- Additional focus on employer engagement
- Identify options for sustainability



# Contact Information

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