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Physician Profiling

What you don't know can hurt you.

BIG NEWS RELATED TO PHYSICIAN profiling came out of New York last year, when Attorney General Cuomo announced his landmark settlements with insurers operating in his state. The insurers are now required to submit the rating criteria they use to place physicians in tiered networks, in which members pay lower co-pays or otherwise receive discounts for seeing favored physicians. In addition, these insurers must abide by a set of standards for their physician profiling programs and hire an independent Ratings Examiner to report to the Attorney General every six months or incur penalties.

Shortly after the insurers signed agreements with Mr. Cuomo, members of the Consumer-Purchaser Disclosure Project adopted The Patient Charter for Physician Performance Measurement, Reporting and Tiering Programs. Under this voluntary agreement, health insurers will follow a set of standards, hire an independent entity to audit their programs to ensure they use valid measures to rate physicians, and work toward pooling their data.

Although neither the New York settlements nor the Patient Charter is a panacea for the problems associated with physician profiling, they represent important steps forward. However, the AMA contends that all physician-profiling programs must follow standards that require the use of valid methodologies, promote transparency at all levels, and assure accurate results. In order to encourage legislation on physician profiling programs, the AMA developed a model bill, which mandates profiling programs adhere to a set of standards, use valid quality standards, properly adjust for risk, use sufficient sample sizes, and correctly attribute episodes of care. Additionally, insurers must fully disclose the methodology used to profile physicians and disclose the limitations of the methodology, profile physicians at the group level, establish a reconsideration or appeal process, and hire an independent third party to oversee the program.

Recently, Colorado Gov. Bill Ritter signed legislation regulating the physician rating systems used by many of the state's health insurers. The Colorado law requires health insurers to make their processes for profiling, rating or characterizing physicians more transparent, and ensure greater accuracy in the results. The law also provides for an appeal mechanism so physicians can challenge the validity of their rankings prior to their release or use by health insurers.

Regulations like those adopted in New York and now Colorado, and documents such as the Patient Charter, are essential to help ensure that the physician performance information that health insurers provide patients is both reliable and meaningful. They establish processes that temper some of the inherent risks that can result from physician profiling.

The AMA neither supports nor opposes physician profiling per se, but patients and physicians have the right to understand how profiles are developed and to expect that results accurately reflect the realities of the physician practice. Some health insurers have unfairly evaluated physicians' individual work. Not only can incorrect and misleading information tarnish a physician's reputation, it is unfair to patients who may consider it when choosing a physician. Erroneous information can erode patient confidence, trust in physicians, and disrupt patients' longstanding relationships with doctors who know them and have cared for them for years.

In an effort to assist physicians engaged in programs that use physician data, the AMA Private Sector Advocacy (PSA) unit created an entire series of informational pieces designed to help physician practices understand and effectively deal with such programs:

- *Physician Pay for Performance Initiatives* is a white paper detailing all facets of the pay for performance movement.
- *How physician incentives are used to impact medical practice* describes the various incentive models in use and provides examples of these models in practice.
- *Tiered and narrow physician networks* explains how these networks are constructed and gives numerous examples of programs.
- *Pay for performance: A physician's guide to evaluating incentive plans* provides physicians with a roadmap to evaluating pay for performance programs.
- *Optimizing outcomes and pay for performance: Can patient registries help?* describes how patient registries may be used to enhance pay for performance opportunities.
- *Economic profiling of physicians: What is it? How is it done? What are the issues?* is a white paper that explains how cost of care measurement is performed and what its abilities and limitations are in providing accurate results.
- *How to Challenge Your "Profile" or Placement in a Tiered or Narrow Network* is a one-page document that gives physicians a systematic process to follow for challenging their profile ratings.
- *Physician Profiling: How to prepare your practice* provides physician practices with steps to take to be well prepared for profiling programs.
- *TO OUR PATIENTS* is a poster designed for physicians' offices to educate their patients on the problems with physician rating systems.
- *A Comparison of 4 Physician Profiling Programs* is a chart comparing key components of The AMA model bill, the Colorado law, the Patient Charter and Mr. Cuomo's settlement with CIGNA.

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