Pay for Performance System Assignment

Find your state’s Medicaid program and use the components of its existing or planned P4P system to complete the following exercises. If your state’s Medicaid program is one of the few that has not implemented P4P and does not plan to implement P4P, select a neighboring state for these exercises. (See Kuhmerker and Hartman 2007b, Appendix B, 1-82.)

1. Which providers are targeted by P4P?
2. What is the type of incentive and its methodology?
3. What are its measures?
4. Does the P4P system use the HEDIS® measures? See the list of the HEDIS measures at the website of the National Committee for Quality Assurance
5. Scenario. A family physician sees approximately 29 patients per day (Gottschalk and Flocke 2005, 490–491). Of these 29 patients per day, five are Medicaid patients and three of those Medicaid patients are well-baby visits. The state Medicaid plan has implemented P4P and is utilizing the HEDIS measures. One of the measures is that babies have six well-baby office visits by 15 months of age. At the current time, the family physician receives a $100 bonus per baby with six or more well-baby visits by 15 months. The Medicaid program has proposed two methods of restructuring the incentives:
   - $25 bonus for each set of three well-baby visits to the family physician and a $15 gift certificate for each set of two well-baby visits to the parents.
   - $100 bonus per baby receiving fifth well-baby visit and polio, hepatitis B, and *Haemophilus influenzae* type b (Hib) vaccines by 13 months and a second $100 bonus for the sixth well-baby visit by 15 months and relevant vaccines.

Of the three methods, current and two proposed, which method would result in the highest financial reward for the family physician? Which method would result in the lowest financial reward for the family physician?