A Performance Framework for the Federal Employees Health Benefits Program (FEHB)

October 19, 2018

11th Annual Public Performance Conference

Changing Culture and Incentives to Improve Health Plan Performance

FEHB Context

Size and Scope

Large and dispersed program

8.2 million covered lives

At least two covered lives in each U.S. county and some overseas

About the same size as ACA Exchanges (collectively)

$53 billion in premiums; of which ~$400 million is Health Plan profit

Competition

83 health insurers contracted to the program

Large FFS insurers to small integrated care system offering a full range of insurance products

Exchange-like system

Annual Open Season for enrollees to choose among competing plans

Long Term Impact

Approximately 6% of enrollees switch health plans each year

Small turnover of plans

Many enrollees stay with same health plan or , at least, an FEHB plan for 25+ years

Rated independently as a ‘good value’ for enrollees, but not a ‘rich’ benefit

FEHB Eligible Policyholders by State

FEHB Covered Lives		
lower	upper	color
22,172	188,218	
188,219	354,266	
354,267	520,314	
520,315	686,361	
686,362	852,408	

FEHB Performance Management - 2013

Challenges

- More than 170 ‘factors’ used to assess health plan performance; many opaque or reliant on Contract Officer interpretation
- No performance measures directly related to health outcomes for enrollees
- Link between performance and profit not transparent
- Not all health plans rated in the same way

Opportunities

- Mature, industry standard measures in use by Medicare and other purchasers
- Obama Administration push for value based health care
- FEHB plans reporting on many measures already, but many scoring below 50th or 25th percentile against industry benchmarks
- OPM created staff position for Chief Medical Officer and Chief Pharmacy Officer

Culture change within OPM and across Health Plan community

- **Setting**:
  - Success depends upon a large set of stakeholders (internal and external)
  - Well established, ‘model’ exchange program
- **Change process**:
  - Need to get “buy in” to need for change (i.e., rating plan performance based on improvements in health outcomes)
  - Invite employees and plans to design the change: 5 committees formed
  - Communicate the rationale and the process widely
  - Change gradually in clear increments
  - Offer training and technical assistance to those who feel uncomfortable

Key Design Features

Integrity of Measure Set

Relatively small number of measures (19); three high priority measures weighted more heavily

Measures cover a range of populations and prevalent conditions

Measures must be independently auditable

Measures must have national benchmark

Fair Assessment Process

Performance assessed against national benchmarks by plan type plus plan improvement over previous year

Accountability at a health plan level

Transparent reporting

Gradual Introduction

Measures must be reported for at least two years before being considered “live”

Quantifiable measures 35% of performance score in year 1, moving to 65% in year 3

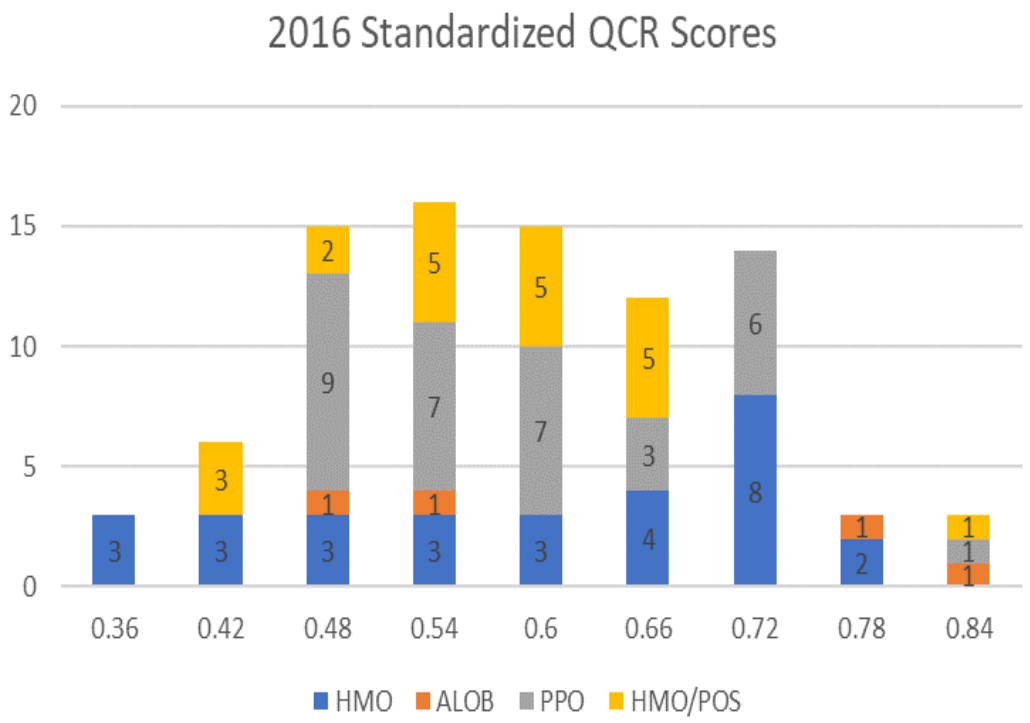
Measure “farm team”

Balance with Contract Oversight dimension

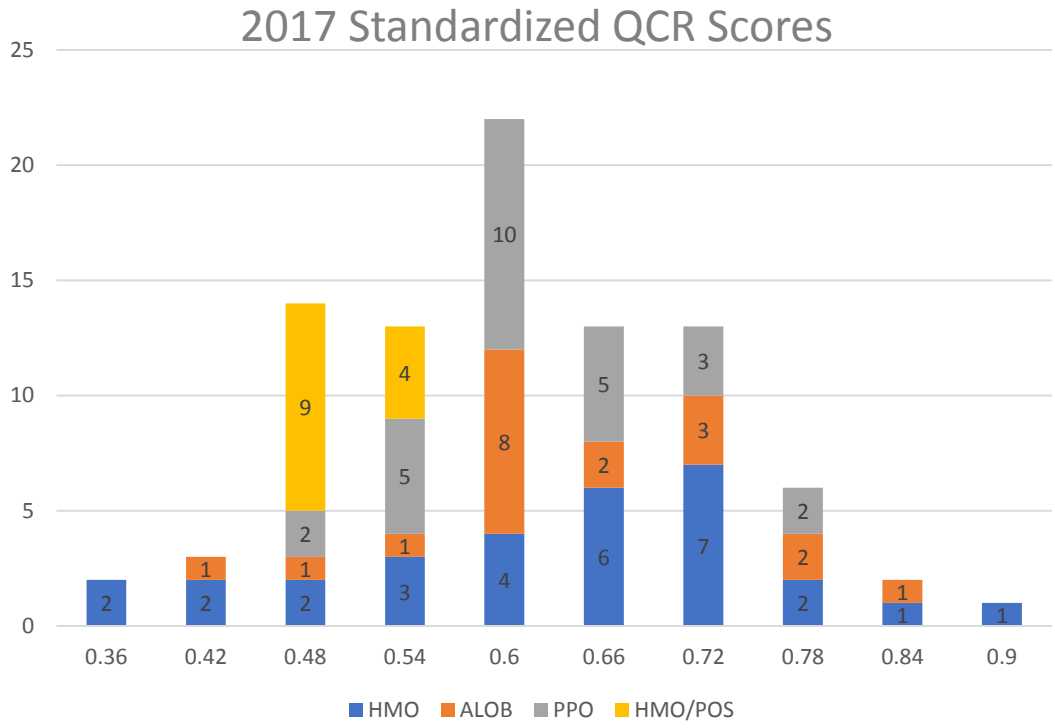
QCR (Quality, Customer Service, Resource Use) 65%		Contract Oversight (35%)
Clinical Quality	• Controlling High Blood Pressure • Prenatal Care (Timeliness) • Breast Cancer Screenings • Well Child Visits First 15 months of life (6+ visits) • Flu Vaccinations for Adults (18 – 64) • Comprehensive Diabetes Care, HbA1C <8% • Medication Management for People with Asthma (75%) • Follow Up for Hospitalizations for Mental Illness (7 day and 30 day	Qualitative assessment of Health Plan performance based on 4 domains: • Contract Performance; • Responsiveness to OPM; • Contract Compliance; and, • Technology Management and Data Security
Resource Use	• Plan All-Cause Readmissions • Use of Imaging Studies for Low Back Pain	
Customer Service	• Plan Information on Costs • Getting Care Quickly • Getting Needed Care • Claims Processing • Overall Health Plan Rating • Coordination of Care • Overall Personal Doctor Rating • Customer Service	

QCR Score Distribution

2016

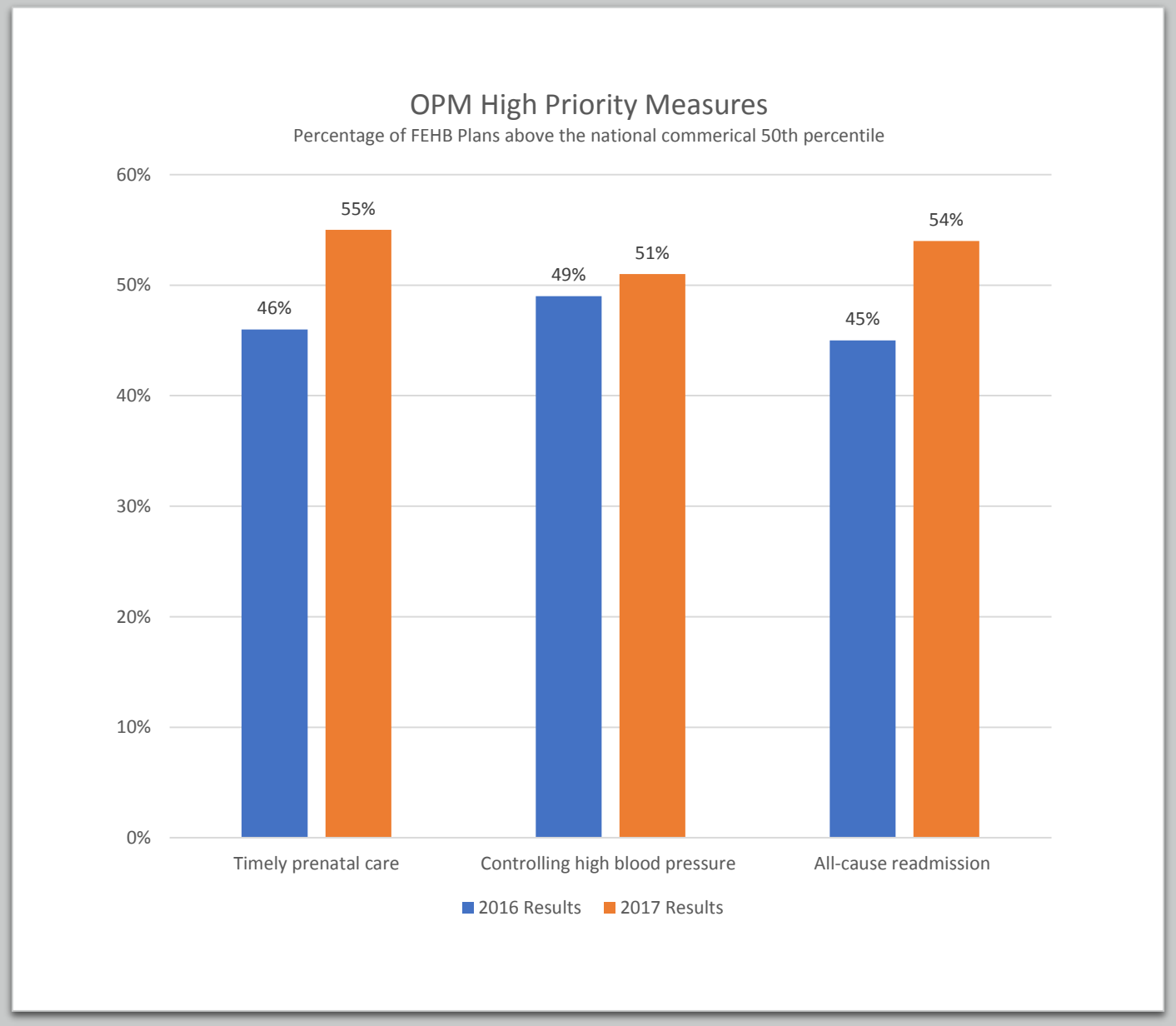


2017



2017 Progress

- Overall improvement on high priority measures (chart)
- Improved mean, median minimum, and maximum on all QCR Scores
- 9 QCR Measures saw a rise in the minimum score reported as well as a reduction in the number of health plans performing in the bottom quartile
- 38 health plans earned full or partial improvement increment



Challenges Ahead

- Evaluating the impact:
  - Is progress based on better data capture, improved reporting, and/or better care?
  - Is the performance assessment system improving competition?
  - Do incentives cascade down to providers?
- Ensuring health plans of all types have an opportunity to succeed
- Keeping the measure set dynamic and relevant while avoiding counterproductive reactions
- Where possible, aligning FEHB with other purchasers – CMS, DoD, VA, State Exchanges, Other State purchasers, large employers

For Follow Up .....

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