Payment Reform Approach: Meet the providers where they are
## Health Action Collaborative
### New Payment Model
**(DRAFT)**

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Provider Incentives</th>
<th>Patient Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Sensitive</td>
<td>Global Budget</td>
<td>High Co-pays</td>
</tr>
<tr>
<td>Preference Sensitive</td>
<td>Pay for Informed, Evidence-Based Choice</td>
<td>Low Co-pays with Shared Decision Making</td>
</tr>
<tr>
<td>Effective Care</td>
<td>Pay for Outcomes</td>
<td>No Cost Barriers, Incentives for Compliance</td>
</tr>
</tbody>
</table>

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Figure 9: Selection of Providers for Drill Down

Cardiology - Total Effective Care Score vs. Cardiac Testing Cost

Provider A
130 patients
Mean age 57.3
62% Male
Panel Risk Score 1.05

Provider B
200 patients
Mean age 58.0
65% Male
Panel Risk Score 1.09

Figure 9 shows the providers’ effective care scores were nearly identical and at the median for the providers analyzed. Yet, there was a substantial difference in cardiac testing costs. The cardiac testing measure included cardiac catheterizations, echocardiography exams, cardiac stress tests, ECGs, and other cardiac tests such as perfusion tests.  
(from MQF/MHDO/HDAS test analysis of commercial claims, Feb. 2007)