Curbing physician profiling

The AAOMS Committee on Health Care and Advocacy believes that “profiling” is an issue that is likely to escalate, especially as Medicare and other third party payers are implementing quality reporting and efficiency measures. With the industry push toward transparency, and making this information available to patients so that they can make more informed decisions regarding their health care and health care providers, all providers will want to more carefully review their contracts and know how to challenge a carrier if necessary.

You might recall some big news out of New York last year regarding programs used by health insurers to unfairly and inaccurately rank physicians—a practice known as “profiling.” With considerable input from the Medical Society of the State of New York and the AMA, New York Attorney General Andrew Cuomo developed a series of groundbreaking agreements with the state’s largest health insurers to set new standards for physician profiling programs.

In addition, the AMA played an important role in greatly strengthening the language of the “Patient Charter,” a document that creates benchmarks for the transparency, accuracy and reporting of physician profiling programs. This document was created, and released in April, by a collection of consumer and employer groups, and most major health insurers have agreed to comply with its tenets. Although the Patient Charter is no panacea for the problems associated with physician profiling, it does represent an important step forward.

While the AMA neither supports nor opposes physician profiling per se, when it is done patients and physicians have a right to understand how the profiles are developed as well as an expectation that the results accurately reflect the realities of the physician practice. Some health insurers have unfairly evaluated physicians’ individual work using an insufficient number of patient cases, questionable quality/cost measures and poor adjustments for risk and case mix. Others have even produced ratings that are solely or primarily based on physicians’ cost of care, with little or no attention paid to the quality of care provided.

Not only can incorrect and misleading information tarnish a physician’s reputation, it’s unfair to patients who may consider it when choosing a physician. Erroneous information can erode patient confidence and trust in physicians and disrupt patients’ longstanding relationships with doctors who know them and have cared for them for years.

Now another state has developed its own standards, with Colorado Gov. Bill Ritter signing legislation last month aimed at 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 ensures 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.

While these new regulations are influenced by Cuomo’s settlements in New York, they are specifically tailored to Colorado physicians.

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 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's Private Sector Advocacy unit offers a number of resources that can help physicians who are being profiled by health insurers. Among them, Physician profiling: How to prepare your practice and Tiered and
evaluation of physician profiling programs. The more states that develop similar regulations, the better our chances of creating a much fairer environment for physicians—and a safer one for patients.

New York and Colorado are the first of many states to implement careful and independent oversight and narrow physician networks: How to challenge your profile or placement. Both have been included here.

Physician profiling: How to prepare your practice

1. Review your contracts. Have the insurers with whom you contract expressly preserved the right to profile physicians? If so, does each contract specify the appeal mechanism or other physician rights with respect to profiling?

2. Learn the metrics of the program. Regardless of what your contract provides, ask your insurers the following: What data will be collected? How will data be collected? What methodology will be used to evaluate the data? In other words, learn exactly how the program works.
   a. Request a complete listing of the quality measures that the insurer will use to determine your quality rating based upon your specialty.
   b. Find out which efficiency measurement system the insurer will use.
   c. Raise concerns if the quality measures are not appropriate to your specialty or the efficiency methodology is not statistically valid. Visit www.ama-assn.org/go/pfp for more information on the problems with current efficiency measurement programs and to download “Economic profiling of physicians: What is it? How is it done? What are the issues?” (This report is available to AMA members only.)

3. Develop the necessary infrastructure to capture and evaluate your own data.
   a. Use patient registries to measure your own performance. In addition to their use in pay-for-performance programs, patient registries may provide a physician with the means to measure his or her individual performance, using his or her own data as a benchmark, when comparing a practice’s data to the profiling information of health insurers. Visit www.ama-assn.org/go/pfp for more information on patient registries and to download “Optimizing outcomes and pay for performance: Can patient registries help?” (This brochure is available to AMA members only.)
   b. Employ the full potential of your computer system. A medical practice with a computer system can query patient records and administrative billing data for the appropriate ICD-9-CM codes for chronic diseases to obtain a listing of patients and their associated data.

4. Train your staff. Careful coding is critical, as profiling systems are based on claims data. Make sure your staff properly collects and reports all the information relevant to your profiling score.
   a. Ensure that all the relevant ICD-9-CM codes for each patient’s diagnosis are reported on each claim, as this information is essential for proper risk adjustment.
   b. Make sure the Current Procedural Terminology (CPT<sup>®</sup>) codes that accurately identify the services or procedures performed are reported on each claim. Do not select a CPT code that merely approximates the service provided. If no CPT code exists for such procedure or service, then report the service using the appropriate unlisted procedure or service code.
   c. Check that the documentation in the medical record supports the ICD-9-CM and CPT<sup>®</sup> codes selected.
   d. When reporting codes for services provided, it is important to ensure the accuracy and quality of coding by verifying the intent of the code. You can do so by using the related guidelines, parenthetical instructions and coding resources—including CPT<sup>®</sup> Assistant and other publications resulting from collaborative efforts of the AMA with the medical specialty societies.

5. Show your patients you care, and educate them about physician profiling schemes. Conduct patient satisfaction surveys, and order and display the AMA poster on unfair physician measurement systems. Poster #NC424607 is free to AMA members by calling 800/621-8335. If you believe you have been unfairly profiled, ask for the necessary information and data from the insurer and always file a formal appeal. Visit www.ama-assn.org/go/pfp to download the flier “Tiered and narrow physician networks: How to challenge your profile or placement,” and contact the AMA Private Sector Advocacy unit at 312/464-4835.
Tiered and narrow physician networks: How to challenge your profile or placement

1. Review your contract. Does the insurer have the right to profile physicians and restrict their access to patients? Does the contract specify the appeal mechanism or other physician rights with respect to profiling or tiering? Make sure you do not miss any deadlines.

2. Request a complete copy of your profile, the profiling methodology and the data used. If the insurer does not respond, initiate a second contact. Do not accept incomplete information/data from the insurer. You should be given a complete analysis of the data and system used to determine your rating.

3. Review your profile report carefully:
   a. Compare the data referenced in the report with your actual claims/chart data—is the insurer missing vital information or using another physician’s data?
   b. Are there valid reasons for your practice variation? Examine your data for outlier cases, severity of illness, co-morbidities, unusual demographics and patient compliance problems. If cost efficiency indicators are not properly risk adjusted to control for such differences when they exist, measured physician performance will be inaccurate.

4. Determine whether the profiling methodology is sound:
   a. What is the margin of error? Pay attention to the number of cases used to determine your rating—small sample sizes are the single biggest cause of inaccurate ratings.
   b. Visit www.ama-assn.org/go/pfp for more information on the problems with current efficiency measurement programs and to download “Economic profiling of physicians: What is it? How is it done? What are the issues?” (This report is available to AMA members only.)

5. Request reconsideration immediately if the data are incorrect or do not belong to you, or if the profiling methodology has been inaccurately applied to your practice. Follow up with a certified letter, with return receipt requested, identifying the incorrect data or methodological issue. Make sure you file a formal appeal.

6. Show your patients you care, and educate them about physician profiling activities. Conduct patient satisfaction surveys, and order and display the AMA poster on unfair physician measurement systems. Poster #NC424607 is free to AMA members by calling 800/621-8335.

7. Contact your medical associations/societies if you are unsuccessful in your attempts to reconcile your rating. The AMA has established a Web link to help you easily access contact information on your state and county medical associations. This service is available to AMA members only.

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