

THE ARIZONA REPUBLIC

Front page - Thursday, August 4, 2005

Insurers ranking physicians in Valley

Co-pay could be tied to choice of caregiver

Jodie Snyder

The Arizona Republic

Aug. 4, 2005 12:00 AM

Arizona patients can soon learn what their insurers think of their doctors' quality and ability to control costs.

Two of the state's largest health insurers are rolling out programs that will rate physicians. And it could mean patients will get cheaper co-payments if they choose doctors who get high marks for both quality of care and cost efficiency.

UnitedHealthcare and Aetna say it is up to the employers on how they use the physician-rating service. One way is to have employees go to highly rated doctors for a low co-pay, say \$15. The co-pays at doctors who weren't ranked but were still in the network would be \$30. With doctors not ranked or in the network, co-pays would be even higher.

The rating programs have already drawn controversy in some parts of the country, and Valley physicians aren't exactly welcoming them, either. They say the plans could push patients toward those doctors who don't perform expensive tests or services.

"It doesn't mean the patients will be getting the best guy in town," said Dr. Marc Rosen, a Glendale orthopedic surgeon and president of the Maricopa County Medical Society. "In some cases it will mean the exact opposite."

Insurers say they are rating doctors because patients usually have little information about the ones they select and how they stack up against their peers. Giving more information is especially important as more employees enroll in consumer-driven plans, in which they have greater say on where they spend their health care dollars.

"This gives consumers a tool to make their own judgments," said Dr. Robert Beauchamp, medical director of United's Western region.

The programs are part of a move by insurers and employers to "pay for performance." Insurers scrutinize medical claims to find out how doctors in their networks meet certain criteria such as prescribing beta-blockers for heart patients or reducing costly hospital readmissions. In some cases, hospitals also are ranked. Congress is also considering having Medicare use the same strategy by paying some providers more if they make certain care goals.

The plans' rating system is similar to what many employees face in paying for drugs: low-cost generics, middle of the road for brand names and expensive for non-formulary drugs.

The physicians are evaluated on criteria such as whether their patients get mammograms or face costly hospital readmissions.

Beauchamp said patients will realize the rankings don't measure other important factors such as physicians' personality.

Doctors worry the rankings won't help patient care.

"There is a great deal of concern in the physician community," said Chic Older, executive vice president of the Arizona Medical Association. "As a general rule, physicians are very skeptical about various managed-care plans.

"For some physicians, pay for performance means pay for less expensive services."

Pay-for-performance plans have gotten different reactions across the country.

Seattle-based REI, or Recreational Equipment Inc., structured its plan with Aetna's Aexcel performance plan without tiered doctors or co-pays. The first year, the retailer's employees in Seattle had the option of seeing the specialists on Aetna's Aexcel list, with no difference in co-pays. The second year, employees could go only to those on the Aexcel program. The plan didn't apply to primary-care doctors.

The company hasn't gotten any complaints from workers, said Giselle Sampson, REI employee benefits manager.

In fact, many didn't have to switch doctors. Seventy percent of the orthopedists seen by REI employees were on the Aexcel list. It's too early to tell how much the program has saved REI, she said.

"That's important because many of our employees are young and active and could be taking a header off something or break a leg doing something outdoors," she said.

Sampson said REI plans to use the program in all its stores, including the two in the Valley.

So far, 25 employers around the country have chosen Aexcel, affecting about 300,000 workers. Many of them require workers to use Aexcel specialists.

Aetna is talking with several of its existing national clients who may want to use Aexcel here. Its list of doctors will be available by October.

As in Seattle, Aetna's plan in the Valley will rate only specialists, focusing on 12 specialties that make up the bulk of medical spending. Focusing on specialties doesn't disturb patients' relationships with their primary-care providers, Aetna officials say.

Aetna says that 25 to 60 percent of Valley specialists under contract have gotten the Aexcel designation.

In St. Louis, United ran into a buzz saw of controversy when it unveiled ratings for primary-care doctors there last year. It was part of coverage for employees of General Motors Corp., DaimlerChrysler Corp. and United Parcel Service.

Only 25 percent of United's doctors made the list. Physicians and hospitals said they were blindsided and fought back hard, and St. Louis' largest hospital system threatened to pull its contract and urged employers to switch managed-care plans.

Local health analysts described it as "two 800-pound gorillas duking (it) out," according to the St. Louis Post-Dispatch.

After marathon negotiations, the two agreed to work together to develop measures for quality and efficiency.

United says it is taking it slow in the Valley because of its experiences in St. Louis.

"We learned a lot from the St. Louis experience, and there will be more communication," Beauchamp said.

United will unveil its rankings in January but is asking employers to hold off tying rankings to employee benefits until everyone becomes more familiar with the system.

"We are advocating to employers that this is more of a time for education," Beauchamp said.

United is rating primary-care physicians in the Valley but not specialists. It gives each doctor a star for quality and one for efficiency if he or she meets the criteria. About 45 percent of physicians contracted with United here have two stars. "We were shooting for 50 percent," Beauchamp said. "We wanted to be inclusive."

Twenty-six percent of United physicians didn't have enough data to be rated but could be rated later.

Both United and Aetna officials say they realize doctors are hesitant about being rated.

"There are definitely some physicians who welcome these kinds of changes, but some of this makes physicians anxious," said Dr. Richard Jones, Aetna's medical director for Arizona.

Physicians have a good reason to worry, said Rosen, the Glendale surgeon.

Doctors who end up getting a higher ranking may get more patients. "Physicians are overburdened as it is, and there will be people showing up at their door," he said. "But (patient) volume doesn't necessarily mean higher reimbursement."

Rosen also worries that lower co-pays will cause patients to think less of their medical care.

"It's like they are getting something for nothing," he said.