



UNICARE STATE INDEMNITY PLAN

## PHYSICIAN TIERING

For UniCare State Indemnity Plan/Basic, PLUS  
and Community Choice members

**Benefits effective July 1, 2018**

### 1. **What is physician tiering?**

Physician tiering is an important part of the Massachusetts Group Insurance Commission's (GIC) interest in acknowledging differences in cost-efficiency and quality performance across providers. UniCare assigns Massachusetts specialty care physicians (specialists) to levels or tiers on the basis of our tiering methodology that uses the claims these physicians submit. We have established various quality measures and/or cost-efficiency standards to use in the evaluation process.

Tiering is meant to help you make informed choices about the specialty care physicians (specialists) you see. It also tries to address rising health care costs. Similar tiering programs are used in other health plans across the country.

### 2. **Does physician tiering apply to primary care providers (PCPs)?**

No, we do not tier primary care providers. Some specialists may provide primary care as well as specialty care. If so, they will be considered specialists when we determine their tier and copay assignments. This means you will pay the specialist office visit copay, regardless of whether you see such a provider for a primary care or specialty care visit. Nurse practitioners and physician assistants are also not tiered.

### 3. **How does physician tiering affect me?**

Physician tiering is a part of your benefit plan. You pay lower office visit copays when you use Massachusetts specialists assigned to Tier 1 or Tier 2 than when you see specialists assigned to Tier 3.

### 4. **What do the tiers mean?**

Individual specialists are assigned to one of three tiers based on how they score on the quality measures and cost-efficiency standards we apply in the tiering evaluation. If a specialist does not have sufficient quality measures, we tier on cost-efficiency standards alone. The three tiers are described below.

- **\*\*\* Tier 1**– Approximately 20% of physicians in each specialty are assigned to Tier 1. Tier 1 specialists have met or exceeded the quality threshold we established for their specialty. Based on

our measures, they also showed that they are the most cost efficient compared to their peers in the same medical specialty. Tier 1 is designed to acknowledge the performance of these physicians in terms of both quality and/or cost-efficiency measures, as determined by the available claims data and the standards we use.

- **\*\* Tier 2** – Tier 2 specialists are those who have met or exceeded the quality assessment threshold established for their specialty. However, based on our measures, they have not performed as well on cost efficiency as those physicians in Tier 1.
- **\* Tier 3** – Tier 3 specialists are those who did not meet our quality threshold established for their specialty, or our measures indicated that they were the least cost efficient, or both. Approximately 15% of physicians in each specialty are assigned to Tier 3.

To encourage you to see specialists who have demonstrated better cost efficiency, as determined by our standards, your copays for specialists are lower when you see Tier 1 and Tier 2 physicians. When you choose your physicians, you may rely on other information that we cannot get through claims data. You may also rely on your own views about what quality means. Although we use a standardized approach that we have developed to evaluate quality and cost efficiency, we understand that our members need to choose specialists who are appropriate for them, and our tiering program does not prevent you from doing so.

## 5. **Is there always enough data to evaluate a specialist?**

Sometimes we don't have enough quality data to evaluate some specialists. In that case, we evaluate the specialists based only on their cost-efficiency data. If they meet our cost-efficiency criteria, they are assigned to one of the three tiers based solely on their cost-efficiency scores.

Also, for a variety of reasons, some specialists don't have enough data available to allow us to assess either their quality or cost efficiency according to our procedures. In our physician listing, these specialists are placed in the category of **Not Tiered/Insufficient Data (NT/ID)**. You can see these specialists for the existing Tier 2 copay.

## 6. **When I visit a specialist, how do I know what my office visit copay will be?**

Your ID card lists the office visit copays for specialty care physicians. Your copays are based on the specialist's assigned tier – Tier 1, Tier 2 or Tier 3. The copay amount may vary for each benefit year.

## 7. **How does UniCare determine each specialist's tier?**

Using data based on the claims that physicians submit, we assign specialists to tiers through a complex evaluation of each specialist's performance on various quality measures and/or cost-efficiency standards we have established.

Based on their performance as measured against our quality and cost-efficiency standards, individual specialists are assigned quality and cost-efficiency scores. These scores are then compared to those of other physicians in the same specialty, and this comparison is used to place specialists into one of the three tiers. To learn more on how we evaluate a specialist's quality and cost efficiency, see questions 8 and 9.

For many specialties, a physician's tier is based on his or her quality and cost-efficiency scores. For some specialties, a physician's tier may be based on cost-efficiency scores alone. This is described in question 8.

## 8. How does UniCare evaluate a specialist's quality?

We use a specialist's quality score as one part of the process to determine which tier the specialist should be assigned to. We determine a specialist's quality score using a three-step process:

1. **Collect data** – Each health plan offered by the GIC has provided de-identified claims data for its Massachusetts members for a three-year period to create a tiering database. This claims data does not contain any information that identifies the member. With this claims data, the tiering database is used to provide information on the treatment practices of about 15,000 Massachusetts physicians in various practice specialties. Examples of these specialties are general surgery, orthopedics and cardiology, among others. The most recent two years of claims data in the database are used to evaluate specialists' quality.
2. **Analyze data** – We evaluate how specialists performed with respect to certain generally accepted, evidence-based practice quality guidelines that are regularly used as appropriate measures of quality. We then compare each specialist's performance on these guidelines to the performance of all other physicians in the same specialty. This comparison allows us to determine how much a specialist is practicing in line with the generally accepted guidelines.

It's important to note that we are using guidelines to evaluate quality performance. Of course, each patient is unique, and while we believe the treatment guidelines we have used are appropriate for most patients, we recognize that they may not be suitable for all patients and their individual conditions.

3. **Determine quality score** – We then determine a comparative quality designation for each specialist who has a sufficient amount of quality data to measure. We use a sophisticated statistical model that uses the specialist's level of performance with our quality measures, as compared to his/her specialty. We then adjust that score to account for other factors that may influence the specialist's performance level, such as the difficulty of the measure, the medical complexity of the patients being treated, and the degree of patient compliance (where appropriate).

This quality designation determines how a specialist performs on the practice guidelines compared to all physicians in his/her specialty. We use this assessment of performance as part of the determination of the tier assignment for the specialist.

**Note:** Sometimes we don't have enough quality data to evaluate specialists. In that case, we evaluate the specialists based only on their cost-efficiency data. If they meet our cost-efficiency criteria, they are assigned to one of the three tiers based only on their cost-efficiency scores.

## 9. How does UniCare evaluate a specialist's cost efficiency?

We also use a specialist's cost-efficiency score, to determine the tier assignment. We determine a specialist's cost-efficiency score using a similar three-step process:

- a. **Collect data** – We use the three most recent years of data from the tiering database – the same database that is used to evaluate quality – to evaluate cost efficiency.
- b. **Analyze data** – For each medical specialty, we look at the types and relative cost of the medical resources that specialists use to treat various conditions. We determine the resources each specialist uses (for example the number of tests performed) and adjust this information to reduce or remove geographic, market and cost structure differences. Then we

compare the results for each specialist to those of all other physicians in the same specialty performing similar conditions or procedures. (For example, we compare the resources (and their cost) used by one orthopedist in treating a broken leg to the resources used by all orthopedists treating this same condition.) The comparison shows that some specialists use more resources, such as diagnostic tests, than other specialists treating the same condition.

- c. **Determine cost-efficiency score** – We then determine a cost-efficiency score for each specialist based on his/her use of resources, and the cost of those resources, for the conditions he/she has treated. We compare this to the average for all physicians in the same specialty who treat that same mix of conditions.

This cost-efficiency score shows how a specialist uses resources compared to other physicians in the same specialty. We use this cost-efficiency score to determine the specialist's tier assignment.

### **The value of working with such a large database**

Using such a large amount of data lets us determine the average amount of resources (such as procedures and tests) that specialists use to treat various medical conditions. It provides the basis for obtaining an accurate comparison of specialists. The database provides what we believe is a valid comparison of how individual physicians perform in comparison to their same specialty peers on both quality measures and cost-efficiency measures. This comparison allows us to rank physicians by their quality and efficiency scores and then assign them to the appropriate tiers.

Overall, our analysis has consistently shown that physicians in the same specialty can vary broadly in their use of resources and in their quality while treating patients with similar conditions.

## **Questions?**

If you have other questions about physician tiering, please call UniCare Member Services.

- **Non-Medicare:** 833-663-4176 (TTY: 711)
- **Medicare:** 800-442-9300 (TTY: 711)

You can also email us at [contact.us@anthem.com](mailto:contact.us@anthem.com).