



FACT SHEET

Physician Group Incentive Program

Pharmacy Initiative — Increasing the Use of Generic Drugs

About Value Partnerships

Value Partnerships is a collection of clinically oriented initiatives among Michigan physicians, hospitals and Blue Cross Blue Shield of Michigan that are improving clinical quality, reducing complications, controlling cost trends, eliminating errors, and improving health outcomes throughout Michigan.

About The Physician Group Incentive Program

This program began in 2005 to encourage and incentivize physicians to more effectively manage populations of patients with chronic diseases and build an infrastructure to more robustly measure and monitor care quality. As of January 2010, 38 physician organizations and 8,148 physicians are working together to improve health care for roughly 1.8 million Michigan Blues members.

Overview

The pharmacy initiative aims to reduce pharmacy drug costs by increasing the rate of generic and certain over-the-counter (OTC) drug prescriptions. Physician Organizations will develop processes and methods to improve prescribing practices.

Objectives

- Expand the drug selection to include a greater number of lower cost brand name drugs, when only brand name drugs are available in a specific category of medication
- Increasing the use of low cost medications when clinically appropriate

Incentive Design

Incentive payments will be based on participation and performance, with increasing weight given to performance and improvement over time.

Evaluation

Performance improvement is evaluated by:

- 1) Comparing the generic dispensing rate (GDR) to past performance over a 12 month time period; and
- 2) Comparing performance against the ABC benchmark.

GDR will be calculated by comparing the percentage of prescribed generic meds against total number of prescribed meds. The status of a generic drug will be determined by referencing the First Data Bank files. Over the counter (OTC) medications that are covered by a prescription plan will be counted as generic prescriptions.

Questions about the Pharmacy Initiative?
Please contact Mike Strampel, PharmD at mstrampel@bcbsm.com.



For more information on PGIP, or for a copy of the full initiative description, please contact: providerpartnerships@bcbsm.com