



BCBSM's Physician Group Incentive Program

Improving patient care, reducing health care costs and increasing overall value

As part of **Blue Cross Blue Shield of Michigan's Value Partnerships initiative**, thousands of Michigan physicians have joined with BCBSM to help improve the quality, value and efficiency of health care in the state. They're not only having an impact on 1.8 million BCBSM members, but receiving awards for participation and performance improvement. The name given to this unprecedented collaboration is the **Physician Group Incentive Program**, commonly referred to as **PGIP**.

What's it all about?

PGIP is an innovative incentive program that brings together physician organizations from across Michigan to encourage information-sharing about various aspects of health care. Program participants, including primary care physicians and specialists, collaborate on initiatives designed to improve the health care system in the state. Each initiative offers incentives based on clearly defined metrics to measure performance improvement and program participation.

Did you know?

As of January 2010, PGIP involved approximately 100 physician groups from across Michigan, including more than 8,000 primary care physicians and specialists. Together, they provide care for more than 1.8 million BCBSM members.



How it works

Physician organizations must apply for participation in PGIP. The application period is from Oct. 1 to 31.

BCBSM looks at their qualifications and ensures that the physician organizations meet the minimum standards. Once selected, the participating physician organizations choose initiatives to improve health care, based on the categories below:

Initiative category	Examples of initiatives
Improvement capacity	Practice improvement efforts, such as developing data analytic capabilities of quality management staff
Condition-focused	Opportunities to standardize treatment and improve outcomes for certain diseases or health conditions
Service-focused	Targeting services or procedures that have a wide variation in practice patterns, such as ER visits and high-tech radiology
Core clinical process-focused	Tracking of needed services, implementing processing for test tracking and follow-up
Clinical IT	Accelerating the adoption of electronic prescribing or implementing patient registries

The physician organizations work with one another to share experiences, attend quarterly meetings, participate in interest groups and provide periodic updates on program progress.

Guiding concepts

At the heart of PGIP are five concepts:

- Focus on improving systems of care, achieving short-term savings and increasing overall value
- Respect physicians' role as primary owners of the patient care relationship
- Focus on measurable improvements in structure, process, outcomes and performance
- Provide performance rewards that recognize that the most effective care is delivered by prepared, proactive teams — and that an investment in capabilities and infrastructure is essential
- Reward participants for improvement and collaboration, not just high performance

Results

To date, the PGIP program has:

- Improved the quality of care of patients with chronic conditions (shown by reports that compare the performance of physician organizations on 18 national standard measures)
- Reduced costs without compromising quality of care, as illustrated by the increased use of generic drugs where suitable. A 3.8 percentage point increase in the generic dispensing rate in the first year resulted in \$8.9 million in savings, while a 5.3 percentage point increase in the second year reaped \$19.9 million in savings.
- Increased patient care capabilities at physician practices across Michigan through the development of the patient-centered medical home program.

Want more information?

- Visit the regularly updated PGIP section of our Web site at bcbsm.com/provider/value_partnerships/pgip.
- If you are an individual practitioner with questions about participating in PGIP, contact your provider consultant.
- If you represent a physician organization, contact Provider Partnerships at providerpartnerships@bcbsm.com.



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