



FOR IMMEDIATE RELEASE:
September 13, 2007

**NEW YORK STATE PROVIDES \$9.5 MILLION FOR INCENTIVE PROGRAM TO
PROMOTE HIGH-QUALITY, MORE AFFORDABLE HEALTH CARE
Introduces Pay-For-Performance Incentives to Increase Health Care Quality While
Lowering Costs**

Governor Eliot Spitzer today announced \$9.5 million in grants to four regional collaborations of health plans and providers to develop model programs that will help the state study innovative ways of providing higher-quality, more affordable, patient-centered health care.

“This is part of a sustained effort to improve the quality of health care at a price all New Yorkers can afford,” said Governor Spitzer. “The way we pay for health care can influence the cost and quality of care. Historically, providers have been paid to provide health care services, without being held accountable for the effectiveness or outcome of that service. We should be using our payment system to purchase quality and value. This initiative will do exactly that by working with health care providers and insurers to provide incentives to deliver the high-quality, patient-centered care that all New Yorkers deserve.”

The funding will support two-year projects focused on improving care for patients enrolled in both private and public health insurance plans. The funding will place special emphasis on treating heart attacks and managing heart disease, diabetes management and infection control, among other things.

The projects will study and test incentive programs, including performance-based payments to physicians, hospitals and clinics that provide high-quality care to their patients. Pay-for-performance initiatives are being implemented across the country and have been credited with reducing medical errors and saving patients’ lives. The state funding will pay project costs and help fund rewards to providers. Insurers were required to, at a minimum, match state funding for the projects. Participating health plans will select the incentive structure they use, but typical incentives include bonuses or increases in reimbursement rates provided to physicians, hospitals and clinics based on their performance meeting various measures of quality.

The projects are part of the State Health Department’s efforts to encourage providers and insurers to work collaboratively to improve the quality of care that is delivered in New York State.

State Health Commissioner Richard F. Daines, M.D. said: “Evidence-based care that improves patients’ ability to live healthier, productive lives is crucial to reforming our health care system and reducing health care costs. This is an area where the public and private sectors can work together to foster change.”

The four demonstration projects are:

- **Independent Health Association Inc. (Buffalo)** -- This Western New York health plan will partner with regional plans HealthNow and Univera to implement a pay-for-performance program targeting improved provider performance in acute heart attack treatment, diabetes management, antibiotic use, and infection control. The project will also look at performance on preventive health measures, including treatment for asthmatics, the use of anti-depressants, and post-partum visits. Grant funding will support the development of a program model and provide physicians a nominal fee for their initial participation in the project.
- **Taconic Health Information Network and Community Regional Health Information Organization (THINC RHIO) (Hudson Valley Region)** -- THINC RHIO will explore improving the portability of patient records by combining health data from health plans, hospitals, pharmacies and laboratories with information gathered from electronic health records to create a complete and easily accessible picture of a patient’s medical history. The project will initially target performance in antibiotic use, diabetes management, heart attack and infection control in inpatient settings. This Hudson Valley-based project involves regional health plans (MVP, CDPHP, CIGNA, Empire Blue Cross-Blue Shield, Hudson Health Plan, and Aetna) and area hospitals.
- **Montefiore Medical Center (Bronx)** -- This major provider of health services in the Bronx will partner with Aetna, Affinity Empire Blue Cross and Blue Shield, HealthFirst, HealthNet, 1199 SEIU Benefit and Pension Funds, Oxford health plans, and a network of community-based providers to improve inpatient and outpatient care for residents with heart disease and its associated risk factors, including smoking and obesity. The project will also implement new evidence-based approaches to reducing hospital-acquired infections.
- **New York Health Plan Association (HPA) (Capital Region and Hudson Valley)** -- This project is a statewide collaboration involving 12 health plans – Aetna, Affinity, CDPHP, Elderplan, GHI HMO, HealthNet, HealthNow, HIP, Hudson Health Plan, Independent Health Association, MVP, and Oxford. HPA will partner with physician, business and consumer groups, Capital District hospitals and RHIOs to improve performance on ambulatory care measures statewide, including acute heart attack measures in the Albany/Schenectady area and diabetes measures in the Hudson Valley.

The State Health Department will evaluate the effectiveness of the four projects using standardized measures created by organizations such as the National Committee for Quality Assurance and the National Quality Forum.