

PHYSICIANS PLUS INSURANCE CORPORATION

QUALITY MANAGEMENT PROGRAM DESCRIPTION

PHILOSOPHY

Physicians Plus Insurance Corporation (Physicians Plus) regards quality as the organization's measured performance across all areas of operation. Responsibility for quality is evenly distributed across all employees and is aligned with our mission: In partnership with our local community-based provider owners...We advance a tradition of delivering excellent products, services, and quality care to those who depend on us. Our vision statement, "Superior Service Every Time", is a guiding principle in focusing and prioritizing of our quality improvement efforts.

PROGRAM PURPOSE AND SCOPE

The purpose of the quality program at Physicians Plus is to systematically improve the measured performance of the corporation across all areas of operation. This type of improvement requires the coordination of all corporate functions. The Director of Quality Management and Systems Improvement and the Director of Health Improvement provide the general direction and support for efforts in business process and clinical care improvement, with oversight provided by the Chief Executive Officer (CEO) and Chief Medical Officer (CMO), and ultimately the Board of Directors.

While efforts are generally cross-matrixed, clinical care and services are the focus of the Health Care Access and Improvement (HCAI) division. This focus includes the following areas:

- Inpatient and ambulatory care (including primary and specialty care)
- Health promotion and disease prevention
- Acute (all levels of acuity) and rehabilitative hospital services
- Chronic care management
- Emergency and urgent care services
- Behavioral health and chemical dependency services
- Ancillary services (such as physical, speech and occupational therapy and home care services)
- Other services provided to members, customers and practitioners/providers by Physicians Plus and/or a contracted provider/administrator
- Patient safety

In 2001, Physicians Plus took steps to achieve improvements according to the Malcolm Baldrige National Quality Award Criteria for Excellence. Having accomplished NCQA's Excellent accreditation for the previous three year period, the organization chose to take the next step on the quality journey. As a result, Physicians Plus was awarded the Mastery Level of the Wisconsin Forward Award in 2003, 2005 and 2008 with scores and rankings improving with each application. In 2007, we applied for our first Malcolm Baldrige National Quality Award (MBNQA) and were awarded a site visit, which occurred in October 2007. Physicians Plus is committed to applying the Baldrige criteria to achieve customer driven excellence and long term corporate success. These criteria are continually being integrated into our clinical and business processes.

The coordination, facilitation, and documentation of improvement activities and associated project management tasks generally fall under the auspices of the Quality Management department. Effective

deployment and execution of continuous quality improvement initiatives throughout the organization are seen as the responsibility of all employees.

GOALS AND OBJECTIVES

The overarching goals and objectives of the quality program are derived from four primary areas. These areas are: an evaluation of corporate performance using the Baldrige criteria and the Wisconsin Forward Award feedback report, identified opportunities for improvement from key process owners within the organization, our various customer focused “listening posts” and the Business Plan development process. The direction of the quality program is aligned with the corporate mission, vision, values, and critical success factors. Annually, specific goals are determined as a result of the development of the annual operating plan approved by the Board of Directors with strong input from our provider partners, an evaluation of performance based on Baldrige criteria, HEDIS-CAHPS results, and performance on the goals of the previous year. While the details of the objectives and initiatives may vary from year to year, the theme of the goals remain consistent. The following seven objectives are the driving themes for the operation of the quality program on an annual basis.

Objectives of the Quality Program

Objective 1: To ensure that Physicians Plus members are provided access to a network of available practitioners who meet or exceed defined standards of education and experience.

Objective 2: To ensure a consistent, positive experience for our membership in their interactions with the functions, systems, and processes of Physicians Plus.

Objective 3: To identify and improve aspects of care, health status, and health function which are important to Physicians Plus’ members.

Objective 4: To ensure that all aspects of service are delivered in an efficient and value-added means to our members, providers, partners and stakeholders.

Objective 5: To identify and improve aspects of performance which are important to providers/practitioners.

Objective 6: To collaborate with partners and stakeholders to measurably improve the performance of the practitioner network and the healthcare services provided to members.

Objective 7: To measurably improve the overall business functioning of the corporation in terms of value delivered to the customer, stakeholder, and supplier, as assessed by Baldrige performance criteria. The goal is improved performance in the following areas:

- Business Results
- Leadership
- Strategic Planning
- Customer and Market Focus
- Information and Analysis
- Human Resource and Development
- Process Management

QUALITY MANAGEMENT APPROACH

Physicians Plus uses a systematic, data-driven approach to understanding work processes, solving process problems, and improving the results of our work. The objective of process improvement is to reduce variation in the results of our work, and to focus on system improvements (as opposed to only individual behavioral change) as the means to achieving significant gains. Systems thinking, process improvement, and data-driven evaluation and change are the principles that are the basis for Physicians Plus' quality management activities.

Clinical and non-clinical performance improvement projects (PIPs) are identified through a system of baseline measurement and analysis, clinical outcome triggers and from direct customer input sources. The plan has an established quality improvement approach to address gaps in performance and service. This is based on the Plan-Do-Check-Act (PDCA) seven-step model of improvement. Resources are available in the organization through the Quality Management department to assist in the implementation of improvement teams, as well as a number of resources for function directed improvement teams (i.e. Provider Network Management would conduct an improvement team to address clinic access issues).

The Directors of Health Services and Health Improvement are primarily accountable for issues of quality of care and health outcomes. The Directors of Member and Provider Service and Group Service are primarily accountable for attending to issues of dissatisfaction. Any of these individuals may create a process improvement team to address an opportunity for improvement.

Physicians Plus identifies systemic problems through a number of surveillance mechanisms and customer listening posts. These include:

- 1) Integration of corporate and departmental Balanced Scorecard methodology, which ensures a measurement driven approach to tracking
- 2) Capturing and responding to customer feedback via the Customer Input Advocacy (CIA) Work Group. Listening posts in the organization (Member and Provider Services, Group Service, clinical partners, and the company website) are the mechanisms that feed into the CIA database. These entries are then classified as complaints, suggestions, or compliments. Compliments are forwarded to the appropriate manager or process leader. Suggestions are catalogued and monthly reports are reviewed by the Service Committee. The Service Committee assesses the relative need according to documented customer requirements. Improvement cycles are then triggered by contacting the appropriate manager to take action at the request of the Service Committee. If a member expresses concern regarding quality of care, the Plan's clinical staff conducts a chart review and forwards all relevant information to the appropriate peer review committee.
- 3) Monitoring of complaints and grievances.
- 4) Identifying potential clinical care issues via concurrent review conducted by Physicians Plus' registered nurses and through ongoing communications with discharge planners at network hospitals
- 5) Implementing an internal audit function which operates to systematically oversee high risk business processes, and evaluate those processes for recommended actions. These recommendations are presented to the audit area's management, the Plan's executive leadership and the Board of Director's Finance and Audit committee

6) The plan has a robust approach to data collection through several survey tools. Member satisfaction is assessed through two mechanisms. One, NCQA's Consumer Assessment of Health Plan Satisfaction (CAHPS) survey is conducted annually. Two, on a monthly basis, Physicians Plus randomly selects members for a more specific survey related to our processes and value adds, including Health Services and Health Improvement functions. This survey is conducted with Quality Management resources and evaluation. Program specific survey assessments are conducted regularly. In mid-2007, Physicians Plus developed and conducted member and provider satisfaction surveys for chronic illness program participants. These data are trended over time and assessed for significant gains or losses in satisfaction to identify opportunities for program improvements.

QUALITY MANAGEMENT METHODS AND MONITORS

Physicians Plus' quality management and improvement methods include a seven-stage process for identifying and improving the quality of clinical care and service rendered by Physicians Plus and our practitioners:

- Identification of key measures of important aspects of care and service.
- Identification of opportunities for improvement as a result of measuring the clinical care and service monitors.
- Analysis of the variations from expected performance in these measures.
- Diagnosis of the symptoms related to variation through root cause identification.
- Implementation of interventions addressing the identified opportunities for improvement.
- Re-measurement to determine if the interventions were effective in improving clinical care and service.
- Systematic documentation of "lessons learned" to enhance the corporate intelligence over time.

The categories of measures for care and services are listed below. The specific quality objectives/ indicators contained in these categories for each year are reviewed annually

- | <u>Measure</u> | |
|--|--|
| • Enrollment | • Network Access and Availability |
| • "Voluntary" Disenrollment | • Coordination of Care |
| • Complaint data | ○ Follow-up after Hospitalizations after Mental Illness |
| • Grievance data | ○ Antidepressant Medication Management |
| • Utilization data | ○ Annual Monitoring for Patients on Persistent Medications |
| ○ ambulatory care measures | ○ Initiation of Alcohol and Other Drug Dependence Treatments |
| ○ acute care measures | • Sentinel Events Monitoring |
| • Population Health Assessment | • Results of medical record reviews |
| • Chronic care program | ○ Advance Directives |
| ○ enrollment | ○ Documentation of Quality |
| ○ case management enrollment | ○ Clinical Quality Indicators |
| ○ clinical outcomes | • HEDIS results |
| ○ QOL | ○ Effectiveness of Care |
| ○ member satisfaction with case management | ○ Use of Services |
| ○ provider satisfaction with case management | |

HEALTH IMPROVEMENT PROGRAMS

Chronic Illness Management Programs

In addition to the quality improvement monitors and processes described above, Physicians Plus also offers several proactive programs aimed at managing the health status of members who are at-risk for, or who have been diagnosed with, specific chronic conditions or diseases. Programs include:

- Diabetes Management Program (including telephonic case management)
- Congestive Heart Failure Management Program (including telephonic case management)
- Cardiovascular Risk Management Program (including Hypertension and Dyslipidemia) (including telephonic case management)
- Weight Loss and Management Program (including telephonic case management)

Members of these programs are screened for alcohol and tobacco use, and for depression. Self-care education is a key component of these programs and program materials are made available to program members via the mail (upon request), as e-mail attachments and via the Physicians Plus website at <http://www.healthychoicesbigrewards.com/members/index.asp?cid=95>.

Health Promotion Activities

By way of health promotion, Physicians Plus offers BadgerCare Plus enrollees a variety of educational opportunities to improve and maintain their health. These include, but are not limited to:

- Access to a 24/7 nurse line
- Mammography and Pap smear reminder letters to women (during their birth month) who have not received the screening in accordance with clinical guidelines. Letters include educational information.
- Immunization and HealthCheck information to the caregivers of newborns
- HealthCheck information to the caregivers of eligible children
- Flu shot reminder information to high-risk members
- Participation in chronic illness programs, including telephonic case management, for those enrollees meeting eligibility criteria
- Access to staff who can assist enrollees in obtaining community services

Clinical Practice Guidelines

Practice guidelines are developed and implemented in collaboration with our provider network and include the input of clinical professionals with expertise in the defined area. Guidelines are reviewed and revised every one to three years, depending on the guideline. The following practice guidelines have been developed in collaboration with UW Health and have been reviewed and adopted by the Physicians Plus Quality & Utilization Management (QUM) Committee:

- Adult **Attention Deficit and Hyperactivity Disorder** in a Primary Care Setting
- Child and Adolescent **Attention Deficit and Hyperactivity (ADHD)** in a Primary Care Setting
- **Alcohol** Assessment and Intervention in a Primary Care Setting
- Guidelines for the Diagnosis and Management of **Asthma** in Adult and Pediatric Patients
- Treating **Depression** in Adults in Primary Care: Clinical Practice Guidelines
- Wisconsin Essential **Diabetes Mellitus** Care Guidelines
- Guideline for the Diagnosis and Management of **Dyslipidemia**
- Recognizing and Treating **Hypertension**: Clinical Practice Guidelines for Adults > 18 Years Old

- Knee Pain Guideline
- Adult **Migraine** Assessment and Treatment Guideline
- **Preventive Health Care** Guidelines (includes guidelines for Prenatal and Postpartum Care, Neonatal Care, Infant-Adolescent Care, Adult Care 18-29, 30-39, 40-49, 50-64, 65-69 and 70+)
- Adult and Adolescent **Tobacco** Cessation Clinical Practice Guidelines
- Clinical Screening and Referral Guide for **Domestic Violence** in a Primary Care Setting
Domestic Violence
- Adult and Pediatric **Immunization** Schedules
- Decision Tree for the Assessment and Treatment of **Spinal Pain**

All guidelines are available to members by mail (upon request) and via the Physicians Plus website in the Stay Healthy (<http://www.healthychoicesbigrewards.com/members/index.asp?cid=94>) and the Manage Your Health Condition (<http://www.healthychoicesbigrewards.com/members/index.asp?cid=95>) sections.

Guidelines are available to providers via the provider manual, located on the Plan's website at <http://www.healthychoicesbigrewards.com/providers/index.asp?cid=9>, and the provider guideline site of the Plan's website at <http://www.healthychoicesbigrewards.com/providers/index.asp?cid=8>. In addition, a targeted broadcast fax is sent to relevant providers, alerting them to the implementation of a new guideline and its posting on the website. New guideline alerts are also included in the spring and fall issues of the provider newsletter. Provider Network Management liaisons also provide clinic managers with summary documentation of new programs and relevant guidelines during routine clinic visits.

BEHAVIORAL HEALTH SERVICES MONITORS AND ACTIVITIES

Physicians Plus monitors and improves behavioral health services in the following ways:

- The Mental Health Center of Dane County, a provider partner, takes a multifaceted approach to the identification and monitoring of treatment received by members with depression. Outreach to members and treating practitioners is implemented on an ongoing basis.
- Under and overuse of behavioral health services is monitored annually. Rates of key services are analyzed for appropriate use of services. Deviation from normal use rates is analyzed and may be the basis for a future continuous quality improvement project.
- Access and availability of behavioral health care practitioners is monitored on an annual basis through member satisfaction and appointment availability surveys, and through network composition evaluation. Member complaints related to access and availability are monitored on a quarterly basis. Any network deficits are addressed through corrective action plans.
- We collaborate with our provider network to oversee the continuity of behavioral health care through ongoing monitoring of members discharged from inpatient care, practitioner satisfaction surveys and annual measurement of member's willingness to release behavioral health information to their primary care providers.
- The coordination of behavioral health services within the behavioral health milieu and with medical care practitioners is assessed through practitioner satisfaction surveys and through annual chart reviews.

PATIENT SAFETY MONITORS AND ACTIVITIES

Physicians Plus addresses patient safety in the following ways:

- Monitoring sentinel/adverse events occurring in inpatient and outpatient settings on an annual basis. Quality of care complaints are reviewed and responded to on an on-going basis and reported/trended quarterly.

- Monitoring new clinical sites for safety issues through facility review audits.
- Monitoring the continuity and coordination of care between PCPs and high volume specialists.
- Determining if members with a diagnosis of depression, diabetes and/or hyperlipidemia received appropriate care according to clinical care guidelines.
- Improving preventive health services through interventions related to childhood immunizations, breast, cervical and colorectal cancers, and post-partum care.
- Monitoring complaint and member satisfaction data to determine if any adverse trends in patient safety exist.

PRIVACY, CONFIDENTIALITY AND CONFLICTS OF INTEREST

The privacy and security of Protected Health Information (PHI) is mandated by Wisconsin Law and the Health Insurance Portability and Accountability Act (HIPAA), which became law in 1996. HIPAA includes but is not limited to a set of federal regulations regarding privacy, confidentiality and security of member information. In simple terms any organization with patient/member information must prevent improper access to electronically stored records or the interception of electronic transmissions containing PHI.

HIPAA and Wisconsin law restrict how PHI can be used and disclosed, and provide enhanced privacy rights to Physicians Plus members. Physicians Plus has policies and procedures that require us to comply with HIPAA and Wisconsin's privacy requirements. Currently, every employee, committee member, intern or other associate is expected to safeguard the privacy of PHI by knowing and following these regulations and our HIPAA Privacy and Security policies. Physicians Plus will only use or disclose PHI in accordance with HIPAA and Wisconsin law.

Securing PHI and other confidential Information is vitally important not only to managing our business but also to our members, owners, and business partners. Among other policies and procedures surrounding privacy and confidentiality, Physicians Plus has implemented an encryption policy that all employees must adhere to when sending protected health information or any other confidential, proprietary data outside the organization through the Internet. In addition, Physicians Plus went through a member number conversion so members' social security numbers are no longer used for member ID.

To further our security program, Physicians Plus has also placed role based restrictions on our data systems that contain PHI. Employees are only given access to member information as needed to perform specific job duties. Employee's who violate Physicians Plus' Privacy or Security policies and procedures are subject disciplinary actions including and up to termination.

Member and practitioner information is confidential. Member medical records are kept in a locked environment, away from public access. Plan staff, committee members and any other persons who act for or on behalf of the plan are subject to Physicians Plus' privacy and confidentiality policies and procedures. Employees, committee members and others must execute a confidentiality statement at the time of employment (renewed annually) or committee appointment. Access to personal member or practitioner information or results of QI monitoring is provided on a need-to-know basis only, unless otherwise required by law. Members routinely execute a release of information form at the time of enrollment that allows Physicians Plus to provide data to outside parties under specific circumstances (as communicated in our Notice of Privacy Practices). Any data provided outside Physicians Plus is blinded and is not member-identifiable. As of January 2007, the Compliance & Privacy Officer is responsible for development and implementation of Physicians Plus' privacy policies and procedures.

No person may participate in the review, evaluation or disposition of any quality or UM case in which s/he has been professionally or personally involved or where his or her judgment might otherwise be compromised. Physicians Plus will not allow a physician to review a case in which (s)he has provided care, in which (s)he may have a financial interest, or in which (s)he was involved in making the initial coverage determination.

AUTHORITY AND RESPONSIBILITY

Physicians Plus' Board of Directors (BOD) holds the ultimate authority and accountability for the quality of care and service delivered to members, and is the highest level of oversight for the quality management program. The BOD delegates responsibility for quality management oversight and adoption of quality improvement processes to the Chief Executive Officer (CEO). The CEO is accountable to the BOD for the quality of medical care and service delivered to Physicians Plus members and for providing and supervising the corporate resources of Physicians Plus' quality management processes and activities

As it relates to the Quality Management Program, the CEO shares responsibility for strategic planning and direction setting with the Vice President and Chief Medical Officer (CMO). The Director of Health Improvement is responsible for providing leadership in the development, implementation and evaluation of programs and processes to monitor and improve the quality of care and services delivered to members. The Director of Quality & Systems Improvement provides leadership for business processes and corporate improvement activities. In the respective areas, staffs are responsible for oversight and management of specific initiatives related to clinical improvements and business processes.