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Blue Shield of California to pay \$31M in quality bonuses to state medical groups

San Francisco Business Times - by [Chris Rauber](#)

Blue Shield of California said Monday that it's awarding \$31 million in so-called Pay for Performance bonuses to California medical groups and independent practice associations or IPAs. That's the same total as 2006.

Nearly half of those payments are part of the Oakland-based **Integrated Healthcare Association's** statewide pay-for-performance program, which rewards doctors' groups on various quality measures involving clinical care, patient experience and use of information technology. Last year, San Francisco-based Blue Shield paid \$14.5 million in physician bonuses through the IHA program. This year's comparable total will be \$14.9 million, said Erica Perng, a Blue Shield spokeswoman.

Blue Shield, one of the state's largest health plans, said it uses the IHA standards to track medical group performance on a range of clinical factors, including the immunization status of children in their care and use of appropriate medications by enrollees with asthma.

"By giving health-care providers financial incentives to increase performance on these critical metrics, we hope over time to make a positive impact on how medicine is practiced in California," David Joyner, Blue Shield's senior vice president of network management, said in the Aug. 13 statement.

In January, IHA announced that seven California health plans paid a combined total of \$55 million in 2006 to Golden State physician groups participating in its P4P bonus program. That represented a less than 2 percent increase from the 2005 total of just over \$54 million for the four-year-old quality measurement-based bonus program, which officials at the time attributed to the need to consolidate earlier gains and work on implementing new quality measures in coming years. But in 2006, the insurers also plunked down nearly \$90 million to medical groups through separate, plan-specific bonus programs.

About 35,000 Golden State physicians in 210 medical groups are eligible for incentive payments under IHA's program. Along with Blue Shield, other California health plans participating in the IHA program include **Aetna**, **Blue Cross of California**, **CIGNA**, **Health Net** of California, PacifiCare, and **Western Health Advantage** (**Kaiser Permanente** and its **Permanente Medical Group** participate in some of IHA's quality reporting activities, but have their own internal bonus plans for Kaiser physicians).