INSURANCE ADMINISTRATION

2017 Physician Rating Systems Annual Report
MSAR # 7918

Al Redmer, Jr.
Commissioner

December 1, 2017

Background

Chapter 586 of the Acts of 2009, effective January 1, 2010, added Title 15, Subtitle 17 to the Insurance Article. Subtitle 17 establishes requirements for carriers[1] that use physician rating systems. Section 15-1701(d) defines a physician rating system as any program that measures, rates, or tiers the performance of physicians under contract with a carrier and discloses the measures, rates, or tiers to enrollees or to the public. In accordance with §15-1702(a), a carrier may not use a physician rating system unless the physician rating system is approved by a ratings examiner.

A ratings examiner is an independent entity that is approved by the Maryland Health Care Commission ("Commission") to review physician rating systems. To be approved by the Commission as a ratings examiner, an entity examining a physician rating system must require the physician rating system to conform to the standards set forth in § 19-147 of the Health-General Article. Specifically, the ratings examiner shall require the physician rating system to:

- Use only quality of performance and cost efficiency as measurement categories;
- Calculate and disclose separately measures of cost efficiency and quality of performance;
- Disclose clearly to physicians and enrollees the proportion of the component score for cost efficiency and quality of performance in each combined score;
- In determining quality of performance, use measures that are based on nationally recognized, evidence–based or consensus–based clinical recommendations or guidelines; or when available, that are endorsed by entities whose work in physician quality of performance is generally accepted in the health care system;
- Disclose to physicians who are subject to the physician rating system:
    - The measurements for each criterion and the relative weight of each criterion and measurement in the overall rating of the physician;
    - The basis for the carrier's quality of performance ratings;
    - The data used to determine the quality of performance ratings;
    - The relative weight or relevance of quality of performance to the overall rating of a physician in the physician rating system;
    - The basis for determining whether there is a sufficient number of patients and episodes of care for a given disease state and specialty to generate reliable ratings for a physician; and
    - The methodology used to determine how data is attributed to a physician;
- Use appropriate risk adjustments to account for the characteristics of the patient population seen by a physician in determining the quality of performance and cost efficiency of the physician;

[1] Carrier means an insurer, a health maintenance organization, or a nonprofit health service plan that provides health insurance in the State.

- In measuring the cost efficiency of the performance of a physician:
    - Compare physicians within the same specialty within the appropriate geographical market; and
    - Use appropriate and comprehensive episode of care computer software to evaluate the cost efficiency of the performance of a physician;
- Include an appeals process that a physician subject to the physician rating system may use to appeal the rating received under the physician rating system and based on the outcome of an appeal, make any necessary corrections to the data used to rate the physician in the physician rating system; and
- Disclose to physicians and enrollees how the perspectives of enrollees, consumer advocates, employers, labor unions, and physicians were incorporated into the development of the physician rating system.

Section 19-147(c) of the Health-General Article provides that an entity that has a physician performance rating certification program approved after August 1, 2008 by a national consortium of employer, consumer, and labor organizations working toward a common goal to ensure that all Americans have access to publicly reported health care performance information is deemed to be a ratings examiner and to meet the above standards. The National Committee for Quality Assurance ("NCQA") has been deemed a ratings examiner. A carrier may use a physician rating system that has been granted certification under NCQA's Physician and Hospital Quality Certification Program.

Carrier reporting

Section 15-1704 of the Insurance Article requires carriers that use physician rating systems to report annually to the Insurance Commissioner the number of appeals filed by physicians who contest their ratings and the outcome of the appeals. Eight carriers have been identified as using physician rating systems, Aetna Life Insurance Company ("Aetna"), MAMSI Life and Health Insurance Company, MD-Individual Practice Association, Inc., Optimum Choice, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., United HealthCare Insurance Company, Cigna Health and Life Insurance Company, and Connecticut General Life Insurance Company. Cigna Health and Life Insurance Company and Connecticut General Life Insurance Company are both using the CIGNA HealthCare ("CIGNA") physician rating system. MAMSI Life and Health Insurance Company, MD-Individual Practice Association, Inc., Optimum Choice, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., and United HealthCare Insurance Company are all using the UnitedHealthcare Services, Inc. ("United") physician rating system. NCQA has granted a two year certification under its Physician and Hospital Quality Certification Program to United's, Aetna's, and CIGNA's physician rating system programs.

In an effort to receive consistent information from carriers regarding the physician rating systems that are being used, the Maryland Insurance Administration issued Bulletin 15-08 on April 24, 2015. The bulletin directed carriers using physician rating systems to file an annual report by October 1 of each year. The report is required to include the number of appeals filed by physicians under Title 15, Subtitle 17 of the Insurance Article and the outcome of the appeals for the time period of July 1 of the prior year through June 30 of the current year. Table 1 is a

summary of the number of appeals and the outcome of the appeals that were received by the carriers using physician rating systems.

TABLE 1

Carrier Name	# of Appeals	# Upheld	# Overturned
Aetna Life Insurance Company	0	0	0
UnitedHealthCare Services, Inc.[2]	19	19	0
CIGNA HealthCare[3]	3	1	2
Total	22	20	2

The law does not specify how carriers are to categorize the types of appeals that are made by physicians participating in the physician rating system. Therefore, each carrier categorizes the types of appeals in different ways. Table 2 is a summary of the types of physician appeals that were filed during the period of July 1, 2016—June 30, 2017 with each carrier.

TABLE 2

Type of Appeal	Aetna Life Insurance Company	UnitedHealthCare Services, Inc.[2]	CIGNA HealthCare[3]	Total
Quality		8		8
Efficiency		5		5
Patient Exclusion[4]		6		6
Clinical Performance				0
Regroup Request[5]			2	2
Specialty Update[6]				0
Cost Efficiency			1	1
Cost Efficiency and Quality Result				0
Total	0	19	3	22

Approved Ratings Examiners

As required by §15-1705 of the Insurance Article, the Commission reports that no entities have been approved by the Commission as rating examiners. NCQA, deemed approved under §19-147(c) of the Health-General Article, continues to be the sole ratings examiner authorized to review physician ratings systems in Maryland.

[2] Includes appeals received by MAMSI Life and Health Ins Co, MD-Individual Practice Association, Inc., Optimum Choice, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., and United HealthCare Ins Co.
[3] Includes appeals received by Cigna Health and Life Ins Co and Connecticut General Life Ins Co.
[4] Physicians may request exclusion of a patient from their assessment for certain circumstances. For example, an exclusion may be requested if the physician's patient was in hospice care or if the patient had primary coverage through another plan.
[5] Adding or removing providers from a group for assessment.
[6] Requesting primary specialty updated to evaluate physician under the correct specialty.