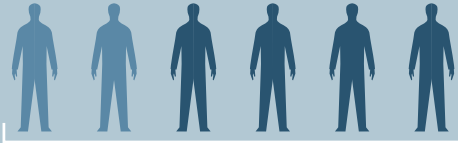


How P4P Works //



TREATMENT

A doctor is treating six diabetic patients. In monitoring their blood-sugar levels and other diabetic symptoms, he discovers that two are doing well but the other four need referrals for follow-up eye exams.



New patients



PERFORMANCE BOOST

Doctor uses the money to pay for the extra staff and technology that he needs to monitor and improve his performance.

BONUS PAYMENT

Accounting department makes a bonus payment to the doctor based on his grade.



RECORDING

Data goes into doctor's computer system to ensure that the patients get the follow-up they need.



Internet



RATING

The doctor's grade is posted on the Internet, letting current and prospective patients consult his rating. If he gets a five-star rating, more patients might sign up, thus entering the treatment-and-reporting loop. A bad grade, on the other hand, might scare away some current patients.



REPORTING

Data from the doctor's medical claims, which include diagnosis and treatment codes telling the insurer about the patients' conditions, treatments they've received, and what else they may need, go to the health plan.



EVALUATION

A health-plan panel evaluates the doctor's performance based on what it has learned from the claims he has filed. Is he seeing the patients frequently enough? Is he prescribing the follow-up they need? The panel assigns his performance a letter grade or a rating from one to five stars.



Health-plan panel



RATING

Health-plan panel feeds information to its accounting department.



Health-plan accounting department