

UPMC HEALTH PLAN

August 7, 2000

Marc P. Volavka,
Executive Director
Pennsylvania Health Care Cost Containment Council
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**RE: Comment on PHC4's publication:
*Measuring the Quality of Pennsylvania's HMOs:
Managed Care Performance Report – FY'99***

Dear Mr. Volavka:

UPMC Health Plan would like to submit the following comment for inclusion in the comment booklet that will be distributed along with the above-referenced public report.

UPMC Health Plan appreciates the tremendous effort PHC4 has made in preparing the Managed Care Performance Report for FY 1999. We feel that by taking data from already submitted reports, PHC4 has achieved three very important goals:

- ◆ It has created a reporting model that aims to effectively integrate various sources of information about managed care organizations, thus avoiding a “silo” approach to health care information across regulatory reports, accreditation measures and hospital data.
- ◆ It has not added yet another reporting mechanism to those that managed care organizations already must file, but has instead worked collaboratively with managed care organizations to review and analyze existing data.
- ◆ Inpatient data from Pennsylvania acute care hospitals is being tied back to the patient's managed care organization. This approach views outcomes performance along a continuum of care.

With this as preamble, we would like to point out however, that our concern is that all of the data included in the report do not pertain to the same time frame. The clinical inpatient data for this report are from FY 99 – while the HEDIS data and non-clinical indicators (financial and network numbers in the report) are from Calendar Yr 1998.

In the case of UPMC Health Plan, for CY 1998, our fully insured commercial product only became operational as of July 1, 1998. As a result, the financial data are reflective of only a portion of the year for a start-up product, in which negative financial variance is to be expected.

Likewise, we were also not able to report our commercial HEDIS data for 1998 – because there was no continuous enrollment for 12 months of 1998.

As for the clinical outcomes data, we would like to point out:

- We will review the medical records of our members reflected in this report to better understand the outcomes and to identify opportunities for improvement.
- We have a greater than expected rating for Asthma Hospitalizations per 10,000. We will investigate the facts related to this finding and develop a workplan for improvement if appropriate
- We will implement a proactive approach to monitoring the elements of this report by instituting routine monitoring activities of the diagnoses and reportable statistics

It is our hope that – going forward, PHC4 can obtain data for all clinical and non-clinical indicators for the same time frame. We feel that it will be a more sound approach to measuring performance and quality.

Sincerely,



Patricia A. Liebman
Chief Executive Officer