

## Letting Doctors in on the Ratings Process

By Jeremy Smerd

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Nearly two years before Regence Blue Shield issued its first letter telling doctors they would not be included in Boeing Co.'s select network, another organization just a few miles away was working toward a similar goal of rating medical clinics, hospitals and doctors, but in a much different way.

The Seattle-based Puget Sound Health Alliance started with "all the constituents at the table," says Diane Giese, a spokeswoman for the group.

The group's board, composed of 11 purchasers of health care (including private and public employers), four health plans, four people representing doctors and two representing consumers, reflects a more conciliatory approach to a controversial subject, Giese says.

Long before any data is made public, the group shares its results with the doctors it has reviewed. The doctors then have an opportunity to respond and improve. The approach is not new—a similar employer coalition in Bloomington, Minnesota, the Buyers Health Care Action Group, waited more than a decade between making its results available to doctors and releasing them to the public. It stands in sharp contrast to Regence, which moved quickly from rating its doctors to creating a network based on its results.

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The alliance underscored that point in an opinion article published September 13 in the Seattle Post-Intelligencer announcing its intention to produce comparative data on the efficiency and costs of physicians in the area. But the group received a wake-up call two weeks later. Just five days after the Washington State Medical Association announced its lawsuit against Regence on September 21, it wrote an opinion piece of its own, in which it issued "a cautionary note" to the alliance based on the medical association's experience with Regence.

What the medical association called the "fatal flaws" of the Regence program were "inaccurate evaluation of outdated claims data" and "not giving physicians an opportunity to respond to the data."

The story was a shot across the bow of the Puget Sound Health Alliance.

"Their response was a way to make sure we're listening," Giese says. "And we are."

Nonetheless, the opinion piece came as a surprise.

"We were surprised they tied it so closely to the lawsuit against Regence, because we're not creating tiered networks," Giese says. "It potentially gives people the impression that the medical association is not supporting what the alliance is doing, which is far from the truth. That was the most shocking thing about seeing it."

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W. Hugh Maloney, the medical association's president, says he supports the alliance's projects and believes the alliance has been working with the doctors in good faith.

"We feel very good about the fact that we are going to see the data before it's released so physicians can change their behavior," he says. "Physicians resent being held up to public scrutiny when they have not had a chance to respond to the data."

Meanwhile, Regence's crosstown rival Premera Blue Shield, which created a high-performance network in 2001, has offered a contrasting example for the Puget Sound Health Alliance.

Premera realized after creating the select network that it did not produce huge savings that were worth the pushback it got from doctors and patients. So Premera instead focused on creating a quality scorecard to be used only by its medical groups as a tool to compare their practices with one another. By knowing where they stood, doctors made changes and improved.

Eventually, Premera offered financial rewards for the best-performing doctors, says Rich Maturi, senior vice president for health care development systems. The lesson, he says, was clear: "The greatest potential for creating efficiency and improving quality is to focus on the whole network rather than getting rid of a portion that doesn't perform well at a certain point in time."