



America's Physician Groups' Standards of Excellence™ (SOE®) survey serves as a roadmap for physician organizations on the journey to greater levels of financial risk and clinical accountability. The nation's healthcare industry is moving to risk-bearing "alternative payment models." The SOE® program measures, publicly reports, and recognizes physician organizations' achievement of the core competencies necessary to succeed and thrive in risk-bearing relationships with payers. Highly relevant to today's policy landscape, the SOE® survey provides a roadmap for the types of clinical practice improvements and administrative capabilities critical to success in this new environment.

Below is a brief introduction to the competencies covered by SOE®. For more information, including the complete survey tool, a list of participating organizations, and the scores for past participants, visit [www.apg.org/soe](http://www.apg.org/soe).

**Identify and stratify the patient population.** Risk-bearing physician organizations will allocate their resources to implement programs tailored to the unique health status of the population served. This process often begins by analyzing the patient population and stratifying individuals into appropriate segments according to their needs. Risk stratification requires the support of a strong technology backbone, including electronic medical records, disease registries, and robust and accurate clinical data. The SOE® survey awards points for developing health information technology capabilities, such as the use of disease registries and meaningful use of health information technology.

**Caring for high risk and complex patients.** Once the population is stratified, the physician organization can develop care processes and systems for the sickest, most complex patients. These are the patients that represent the best opportunity to improve care, control costs, and enhance quality. Risk-bearing physician organizations must excel at slowing the progression of disease, keeping patients out of the hospital, and managing chronic conditions. SOE® awards points for physician organizations that have a system in place to identify and enroll high acuity patients in high complexity case management programs. The survey also examines the makeup of the multidisciplinary care team that staffs the high complexity case management program. High performing physician organizations will have a care team that spans the full continuum of care and consists of a variety of healthcare professionals to meet the mental health, substance abuse, social, and environmental factors affecting a person's health.

**Commitment to advanced primary care capabilities.** In risk-bearing models, incentives are aligned to keep patients healthy, rather than to provide a high volume of services. A core component to achieving this goal is having robust, advanced primary care capabilities. The survey awards points for multidisciplinary care teams, including non-physician team members, each practicing at the top of his or her license. SOE® also examines the information technology supports for the care team. Finally, the survey awards points for reducing the disparity in payment between specialists and primary care providers (PCPs).

**Reducing unnecessary hospital admissions and readmissions.** In a capitated or risk-bearing environment, incentives are aligned to reduce and ultimately prevent unnecessary hospital admissions and readmissions. Risk-bearing physician organizations deploy several methods to achieve these goals. First, these physician organizations typically employ or contract hospitalists and physicians to provide care to hospitalized patients. Hospitalists communicate back to the primary care-led team and help coordinate post-hospital discharge care. Second, physician organizations will typically have in place a plan for post-hospital discharge care coordination, transitioning the patient out of the hospital, and ensuring follow-up with the patient's PCP. Third, the physician organization will typically offer options other than the emergency room for after hours and weekend appointments. SOE® awards points for use

of hospitalists, sophistication of the post-hospital discharge care coordination program, as well as for extended access options.

***Robust participation in quality and resource use measurement programs.*** Performance measurement strives to ensure that financial targets are achieved without sacrificing quality of care. Risk-bearing physician organizations typically participate at the organization level in externally facing or public quality reporting programs, such as the Medicare Advantage 5 Star program or statewide quality reporting initiatives. In addition, physician organizations use internally facing physician report cards to rate quality based on a targeted set of measures at the individual physician level. The survey assesses the organization's performance measurement participation.

***Defining the allocation of financial risk between medical group and payer.*** In risk-bearing arrangements, physician organizations must come to an agreement with payers as to which services are the medical group's financial responsibility and which are the payer's responsibility. SOE® asks groups about this division of financial responsibility, specifically inquiring as to which services are the physician organization's responsibility. These aspects of the survey are not publicly reported.

***Responsibility for downstream payment to employed or contracted physicians.*** In a risk-bearing arrangement, typically the physician organization takes risk at the organization level. The organization must then pay its employed or contracted physicians through sub-capitation, fee-for-service, salary, or some other payment model. Typically, these downstream arrangements include a performance incentive payment tied to achievement on internal quality and resource use metrics. SOE® examines these types of relationships; however, the results are not publicly reported.