



Resolution #07-02

**ALAMEDA ALLIANCE FOR HEALTH  
THE BOARD OF GOVERNORS**

**RESOLUTION TO APPROVE IMPLEMENTATION OF A  
PROVIDER PAY-FOR-PERFORMANCE PROGRAM**

**WHEREAS**, health plans are increasingly turning to financial incentives for providers to encourage efficiency, improve the quality of care, and to control costs;

**WHEREAS**, any design must reflect conditions such as market environment, information technology capabilities, data availability, relative leverage of health plans and providers, willingness of providers to participate, and provider concerns such as administrative burdens and conflicting financial incentives;

**WHEREAS**, the implementation of pay-for-performance programs for physicians, medical groups, specialists, and hospitals is an essential element of Alameda Alliance for Health’s long-term strategic priority to focus on quality initiatives;

**WHEREAS**, the Alliance’s initial focus is primarily for primary care physicians and medical groups with a longer-term goal of developing effective pay-for-performance programs for other providers;

**WHEREAS**, in fiscal years 1999-2000 through 2003-2004, the Alliance disbursed provider risk share payments, and pay-for-performance bonuses in 2005-2006, that acknowledged Health Plan Employer Data and Information Set (HEDIS) performance, efficiencies by providers, and increased access to primary care for members;

**WHEREAS**, the strategic goal is to have pay-for-performance programs that are coherent and part of a larger quality plan for Alliance members;

**WHEREAS**, the amount disbursed as part of these pay-for-performance programs will be decided after the annual audit of the plan’s overall financial performance; and

**WHEREAS**, the Health Care Quality Committee, a standing committee of the Board of Governors, has recommended the implementation of a provider pay-for-performance program;

**NOW, THEREFORE BE IT RESOLVED** that the Alliance Board of Governors approves the implementation of a provider pay-for-performance program;

**BE IT FURTHER RESOLVED** that provider performance will be calculated annually by Alliance staff based on established performance metrics;

**BE IT FURTHER RESOLVED** that financial analysis conducted annually by Alliance staff will determine the amount of funds for the program;

**BE IT FURTHER RESOLVED** that provider rates will not be cut with the intent to fund the pay-for-performance program; and

**BE IT FURTHER RESOLVED** that this resolution shall become effective on April 26, 2007.

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Michael Mahoney  
Chair, Board of Governors

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Jane Garcia  
Vice-Chair, Board of Governors