

Who is Paying for Performance?

As many as one-third of health plans say they have a P4P program in place, but most are in the earliest stages of development or implementation. Most P4P programs have less than five years of operational experience in the "pilot" stage.

Bridges to Excellence, a not-for-profit coalition joint effort launched by large employers, health plans, the National Committee for Quality Assurance (NCQA), MEDSTAT and WebMD Health, provides bonuses to physicians who meet established criteria in three areas: diabetes care, cardiovascular care and patient care management. Currently operational in four markets, the program rewards top-performing physicians with up to a 10% increase in salary in the form of bonuses paid by participating employers. Additionally, participating physicians are highlighted in provider directories, helping employees and their families identify physicians with proven outcomes in treating particular illnesses, or whose patient care and support systems are exemplary. The Integrated Healthcare Association (IHA) P4P initiative provides incentive payments to physician groups that meet performance measures developed by NCQA. It also judges physicians on patient satisfaction and whether their treatment was the best medical and most cost-efficient method. IHA estimates that \$100 million could be paid to providers based on performance results within the first year of its P4P program. The IHA program consists of a scorecard comprised of weighted measures from three areas: clinical quality (50%), patient experience (40%) and investment in information technology (10%). Clinical quality measures performance in treating three chronic conditions (asthma, diabetes and coronary artery disease) and providing three preventive services (breast cancer screening, cervical cancer screening and childhood immunizations). Patient satisfaction is based on individual patients' satisfaction with communication with their doctor, specialty care received, timely care and service, and an overall rating of care. IT evaluates a physician group's ability to integrate data at the group level or provide physicians with data at the point of care. Medicare has begun two P4P initiatives — one that is open to all acute-care hospitals and another pilot project through the Premier hospital alliance. Some 2,700 hospitals have signed up to participate in the Hospital Quality Initiative, which is more of a "pay for reporting" system. To receive the full inflation update from Medicare, hospitals must report on 10 quality indicators. The Premier project will reward high-performing payers with higher overall payments. What benchmarks are used to reward hospitals and physicians? As discussed earlier, P4P is designed to change behavior, and indeed it will. Just as DRGs and capitation drove providers to be more efficient so P4P is designed to steer them toward higher clinical quality. However, as payers develop these systems, they must be careful what they wish for. Obviously, such methods offer the same dangers as any reward system in which proscribed benchmarks simply encourage those being measured to "teach the test." To measure provider performance, many health plans are collaborating with employers and providers to develop the balanced scorecard or report card system, which includes measures that are well-known and accepted by the provider community. Performance categories in the scorecard carry certain weight according to 1) clinical processes (i.e. through HEDIS data), 2) patient satisfaction (i.e. through the Consumer Assessment of Health Plan survey — CAHPS) and 3) the adoption of technology.