

# Medicare Joins the Pay-for-Performance Troops

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WASHINGTON — The Centers for Medicare and Medicaid Services is jumping on the pay-for-performance bandwagon, but members of a physician advisory group warned CMS officials to be careful how they go about it.

"I'm only hoping that you'll structure this so that the quality indicators will be that you've [performed] certain processes,

not necessarily the outcome [of them]," said Laura B. Powers, M.D., a Knoxville, Tenn. neurologist and member of the Practicing Physicians Advisory Council.

For example, outcomes are not good in terminal patients, Dr. Powers told this newspaper. "What outcome are they going to measure with an amyotrophic lateral sclerosis patient who is definitely going to die?" she said. Instead, Medicare should assess whether appropriate standards of care are followed for terminal patients.

Trent Haywood, M.D., acting deputy chief clinical officer at the agency, said CMS has debated that very issue. "There has been a lot of discussion about what is the right thing [to measure]. We've always said that we think it's both," he said. "We definitely want process measures ... and the current financial structure is also easier for measuring processes, because that's the way we traditionally pay people."

However, he added, "our goal is toward getting some evidence of outcomes. The

process measures we normally collect are always related to outcomes."

Council member Peter Grimm, D.O., a radiation oncologist in Seattle, said outcomes are the most important indicator. "You have to have outcomes as the bottom line," said Dr. Grimm, who runs a quality assurance business involving 300 physicians.

In testimony to the council, Dr. Haywood outlined steps Medicare is taking to introduce pay for performance into physician reimbursement, including demonstration projects with hospitals and group practices. But Dr. Grimm was not satisfied.

"One thing I didn't hear is how you verify this [performance] data," he said. "You have to have a third party evaluate it."

Geraldine O'Shea, D.O., an internist in Jackson, Calif., said that she is concerned about the impact of pay for performance on the doctor-patient relationship.

"Could it discourage physicians from caring for noncompliant patients?" she asked. "And how do these programs ensure the most up-to-date guidelines are being used? How can we get this out to know that this is the benchmark we're going to be measured at?"

There are different ways to address patient compliance, Dr. Haywood said. "If

**Some physicians argue it would be better to determine whether appropriate standards of care are followed, especially in terminal cases.**

you lean more heavily on process measures, that takes care of part of that problem, because those process measures look at whether you prescribed something or did something. But because we still want to look at outcomes measurement, we also talk about ways in which you allow that patient to be excluded. You can have documentation saying, 'Provided counseling and patient refused.'

Council member Barbara McAneney, M.D., an oncologist in Albuquerque, said she was concerned about the expense of the computer system that would be required to keep track of outcomes data.

"The electronic medical record (EMR) that our practice purchased some years ago is now completely inadequate because it's not searchable for tumor stage, size, or treatment," she said.

"The most recent quote I got for the EMR that can provide the functions I want ... for a practice of nine physicians, they want \$400,000," she said. "Well, my Medicare drug money just went away, the physician fee schedule is going down, and the [Medicare payment formula] is going to nail us 30% over the next 6 years. Where am I going to find \$400,000 to put in an EMR that I can search and find all stage II breast cancer patients, and see whether they got their chemotherapy, and how they are doing, and by the way, how many of them are on Vioxx, and I have got to call them up and get them off it? All these kinds of issues are really going to have to be addressed."



## Critical elements missing from the management of atopic dermatitis

Atopic dermatitis is one of the most common, chronic, and potentially debilitating inflammatory skin diseases. Acute symptom relief can be achieved with today's therapeutic options, but an approach that can safely manage the disease over the long term is lacking. New research in skin biology and lipid synthesis has provided leads toward new therapies that fill the gap between symptom relief and safe long-term management.

### Physiologic lipid replacement plays a key role

In healthy skin, the stratum corneum is a resilient, protective skin lipid barrier against environmental challenges and moisture loss. During the past decade, research has identified the critical role of the stratum corneum in healthy skin-barrier function.<sup>1</sup>

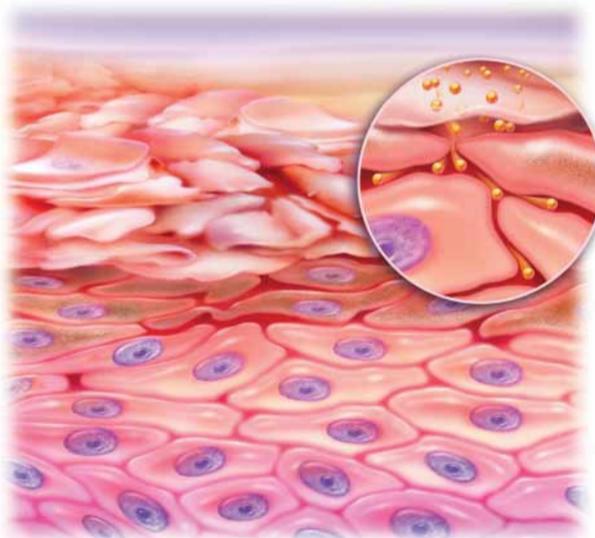
Atopic dermatitis compromises skin-barrier function, resulting in transepidermal water loss and xerosis. Research has attributed barrier disruption, in part, to the depletion of physiologic lipids (including triglycerides and polyunsaturated fatty acids). Current studies also demonstrate that physiologic lipid replacement accelerates dermal restoration of the stratum corneum.<sup>2</sup> This therapeutic approach is reported to improve barrier functions such as moisture retention and protection from irritants. By reducing these triggers, therapies that replace physiologic lipids may help to reduce the occurrence of "flares" in inflammatory skin diseases such as atopic dermatitis.

### Current topical therapies do not support normal skin-barrier function

Current management focuses on immediate symptom relief and moisturization. Topical corticosteroids, the mainstay of current therapy, provide rapid relief of pruritus, erythema, and inflammation. These agents are associated with well-known adverse events and their use requires careful management, especially in children. However, steroids do not support the restoration of the stratum corneum. In fact, data show that steroid use is associated with a thinning of layers of the stratum corneum, deterioration of barrier homeostasis, delayed barrier recovery, and abnormal stratum corneum integrity.<sup>3,4</sup>

The use of immunomodulators as a treatment modality for atopic dermatitis has increased. In patients >2 years old, calcineurin inhibitors are an effective choice. Symptom reduction is achieved by reducing immunologic responses in the skin. However, the safety associated with the long-term use of these compounds is currently being reevaluated. Also, consistent use of moisturizers is recommended to hydrate and soften skin. Yet moisturizers may not fully penetrate or contain the physiologic lipids needed to restore skin-barrier function over the long term.

### A dermal restoration approach to managing the chronic symptoms of atopic dermatitis



Compromised skin-barrier function and lipid depletion (Inset) Topically applied physiologic lipids penetrate the stratum corneum to help restore barrier function

Chester Valley Pharmaceuticals has focused its interests on agents with properties to help manage the chronic symptoms of atopic dermatitis while accelerating dermal restoration. An ideal agent would be clinically proven to:

- Provide symptom relief and help minimize recurrence with non-steroidal components
- Restore and optimize skin lipid barrier function
- Provide both immediate and prolonged lipid replenishment and hydration
- Be safe for use in patients of all ages
- Enhance long-term management of atopic dermatitis

Chester Valley Pharmaceuticals is committed to bringing clinicians and patients a new topical approach to fill current treatment gaps in atopic dermatitis. A formulation of lipophilic and hydrophilic compounds with anti-inflammatory activity and emollients holds promise in meeting the goals of long-term therapy. Under the management of a physician, such a formulation could play an important role in the safe and effective management of atopic dermatitis and other dermatoses.

**References:** 1. Elias PM, Williams MLK. Structure and function of the stratum corneum. Available at: <http://www.aad.org>. Accessed March 29, 2005. 2. Madison KC. Barrier function of the skin: "La Paison de Être" of the epidermis. *J Invest Dermatol*. 2003;121:231-241. 3. National Institutes of Health, National Institute of Arthritis and Musculoskeletal and Skin Diseases. *Atopic Dermatitis*. Bethesda, Md: April 2003. NIH publication no. 03-4272. 4. Kao JS, Fluhr JW, Man M-Q, et al. Short-term glucocorticoid treatment compromises both permeability barrier homeostasis and stratum corneum integrity: inhibition of epidermal lipid synthesis accounts for functional abnormalities. *J Invest Dermatol*. 2003;120:456-464.