

GAO: P4P May Not Benefit Small Practices

BY MARY ELLEN SCHNEIDER
New York Bureau

A Medicare demonstration project testing pay for performance among large multispecialty physician groups is yielding good data on care coordination programs, but expanding the program to small practices could present challenges, according to an analysis by the Government Accountability Office.

Small practices would have difficulty absorbing the high start-up costs associated with care coordination programs and the hefty price tag for electronic health record adoption and implementation, the GAO found. The GAO report to Congress analyzed the Physician Group Practice Demonstration project. The demonstration tests an alternative payment approach that combines Medicare fee-for-service payments with incentive payments for achieving cost savings and hitting quality targets.

The demonstration, which began in April 2005, includes 10 multispecialty practices, each with 200 or more physicians. Officials at the Centers for Medicare and Medicaid Services recently added a fourth year to the project, which now is scheduled to end on March 31, 2009.

CMS reported the first-year results in July 2007. In the first year, two group practices earned bonus payments of about \$7.4 million in total.

But it may be difficult to broaden this approach to other physician practices because of the large size and high revenues of the participating practices, GAO said. All of the demonstration practices had 200 or more physicians, while less than 1% of physician practices in the United States have more than 150 physicians.

In fact, about 83% of all physician practices are solo or two-person groups, according to GAO.

The practices weren't just bigger in terms of the number of physicians but also had more support staff and larger annual medical revenues. On average, the demonstration practices had annual medical revenues of \$413 million in 2005. By comparison, only about 1% of single-specialty practices in the country have revenues exceeding \$50 million a year.

GAO identified three advantages that the participating practices had because of their size, institutional affiliations with an integrated delivery system that gave them

greater access to financial capital; past experience with pay-for-performance (P4P) programs, and experience using an electronic health records system.

Since most of the participating practices had affiliations with large, integrated delivery systems, they had access to the funds to start or expand quality programs. GAO estimated that on average, each participating practice invested about \$489,000 to start or expand

its demonstration-related programs and spent about \$1.2 million on operating expenses for these programs in the first year.

The practices that participated in the demonstration also had a leg up in terms of electronic health record systems. Eight of the 10 participants had an electronic health record before the project began. By comparison, in 2005, only 24% of physician practices in the United States had a full or partial electronic health record, GAO said.

The majority of the participants in the demonstration also had past experience with pay-for-performance programs either through a private or public sector organization.

CMS officials told GAO investigators that they chose to focus on large practices because they affect a significant amount of Medicare expenditures and have sufficient Medicare beneficiary volume to calculate savings. ■

All of the P4P demonstration practices had 200 or more physicians, while less than 1% of the physician practices in the United States have more than 150.

POLICY & PRACTICE

Rheumatology Honors Awarded

Members of Congress were honored for their advocacy efforts on behalf of patients with rheumatology-related conditions. Earlier this month, the Lupus Foundation of America presented its Leadership in Lupus Research Award to Sen. Tom Harkin (D-Iowa) for his support of research on lupus and women's health issues at the National Institutes of Health. Also recently, the Arthritis Foundation presented Sen. Edward Kennedy (D-Mass.) with its first Arthritis Foundation Advocacy Leadership Award in recognition of his work on the Arthritis Prevention, Control, and Cure Act (S. 626). Sen. Kennedy introduced the legislation, which would establish and strengthen arthritis research and public health initiatives.

International OA Study Launched

Researchers recently launched a multinational osteoporosis trial of nearly 60,000 postmenopausal women that aims to provide a real-world look at how patients at risk for osteoporotic fractures are treated. The Global Longitudinal Registry of Osteoporosis in Women (GLOW) is an observational study that has enrolled women over age 55 years who visited their primary care physician during the 2 years prior to study enrollment; enrollment is not linked to an osteoporosis diagnosis. Participants were recruited through primary care physicians at 17 sites in North America, Europe, and Australia. Researchers will collect information on osteoporosis risk factors, treatments, patient and physician behavior, and fracture outcomes over a 5-year period. "We want to understand regional differences in physician and patient behavior and how [they affect] patient outcomes," Dr. Pierre Delmas, cochair of the study's executive committee, said in a statement. The study is being conducted by researchers at the Center for Outcomes Research at the University of Massachusetts, Worcester, and is supported by an unrestricted research grant from the Alliance for Better Bone Health, funded by Sanofi Aventis U.S. and Procter & Gamble Pharmaceuticals. More information is available at www.outcomes.org/glow.

Arthritis in Top 20 Online Searches

Arthritis and fibromyalgia were among the top 20 most-searched health conditions on the Internet, according to a ranking released by the research firm ComScore Inc. The firm reported that arthritis ranked 17th out of the top 20 searches and fibromyalgia came in at 20th. The results are based on searches conducted by a panel of approximately 1 million individuals in the United States during February. Pregnancy, cancer, and flu topped the list.

Health Sector Biggest Lobby

The health care industry was the biggest spender when it came to lobbying Congress in 2007. Pharmaceutical, medical device, physician, and hospital groups spent \$227 million, a larger tally than for

any other sector, according to the Center for Responsive Politics, a Washington-based watchdog group. Of individual lobbying concerns, the U.S. Chamber of Commerce was No. 1, spending \$53 million on in-house and external personnel, the center reported. Close behind was General Electric Co. (\$24 million), followed by the Pharmaceutical Research and Manufacturers of America (\$23 million), the American Medical Association (\$22 million), and the American Hospital Association (\$20 million). Broken out by industries, the pharmaceutical sector has spent more than any other industry in the last decade, laying out an accumulated \$1.3 billion since 1997, said the center. The data are taken from official lobbying reports that are submitted to the Senate Office of Public Records. The figures do not include other spending that is still aimed at influencing policy, according to the center.

Side Effects Underreported

One in six Americans who have taken a prescription drug experienced a side effect serious enough to send them to the doctor or hospital, but only 35% of consumers said they know they can report these side effects to the Food and Drug Administration, according to a Consumer Reports poll. Additionally, 81% of respondents said they had seen or heard an ad for prescription drugs within the last 30 days, almost all on television. Consumers Union, the nonprofit publisher of the magazine, gave the FDA a petition signed by nearly 56,000 consumers asking that a toll-free number and Web site be included in all television drug ads so people can easily report their serious side effects. "What better way for the FDA to let consumers know how to report serious problems with their medications than putting a toll-free number and Web site in all those drug ads we're bombarded by each day?" asked Liz Foley, campaign coordinator with Consumers Union, in a statement.

AAMC Adopts Medical Home

The Association of American Medical Colleges has adopted a formal position stating that every person should have access to a medical home. "We believe the medical home model holds great promise for improving Americans' health by ensuring that they have an ongoing relationship with a trusted medical professional," said Dr. Darrell G. Kirch, AAMC president and CEO, in a statement. The AAMC position also said that further research and evaluation of the medical home model is needed and more evidence must be gathered on how the model is best implemented. In addition, payment for the model should appropriately recognize and reward providers for prevention, care delivery, and coordination, and health care providers should be trained to understand and implement the medical home model within a team environment, the AAMC said.

—Mary Ellen Schneider

Rheumatology News

Is #1 in High Readers

Source: Media-Chek® June 2007, Rheumatology (Office/Hospital combined), Table 144, High Readers, APEX