Pay-for-Performance Measures Face Skepticism

BY JENNIFER SILVERMAN
Associate Editor, Practice Trends

SAN FRANCISCO — Pay for performance "is a great idea in theory," but so far it has failed to work effectively in the private sector, Eric B. Larson, M.D., said during the annual meeting of the American College of Physicians.

"Word on the street is it's a disaster," mostly because insurance companies have their own sets of performance measures, he said. That leaves physicians with the task of juggling compliance with multiple requirements in their state or community, Dr. Larson, immediate past chairman of the ACP's board of regents, said at a press briefing on policy developments.

A newly formed "ambulatory care quality alliance" between the ACP, the American Academy of Family Physicians, America's Health Insurance Plans, and the Agency for Healthcare Research and Quality "will help rationalize the performance measures movement," Dr. Larson said.

John Tooker, M.D., ACP executive vice president, said that the goal of the alliance will be to get the Centers for Medicare and Medicaid Services, health plans, and other stakeholders "on the same page with one set of measures" that will work effectively without overburdening physicians.

The college wants to ensure that "such measures do not punish physicians, but rather provide clear incentives for improvement," ACP President Andy Hedberg, M.D., said at the briefing.

Dr. Larson noted that conflicting performance measures are especially burdensome for small practices dealing with multiple insurance companies that use different performance measures.

The situation becomes especially complicated if a patient is covered by more than one plan and the physician has to send in performance measures to qualify for payment for each of the plans. "This is causing people to spend inordinate amounts of time doing things that are best done electronically," he said. And, as many speakers noted during the meeting, the vast majority of physicians are not yet using electronic medical records.

As a result, physicians in various insurance markets around the country are begging health plans to leave them alone, Dr. Larson said.

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Other physicians at the meeting expressed misgivings about pay for performance, including Daniel Levy, M.D., who said that performance measures tend to penalize physicians who take care of the poorest and sickest patients.

The practices with the best statistics on performance measurement tend to be practices with "the youngest, the whitest, the wealthiest patients," said Dr. Levy, who attended a session on performance measurement. Meanwhile, "doctors who treat sick people are getting kicked in the teeth. You cannot get good performance measures on people who make less than $25,000 a year" and have a myriad of health problems, he remarked.

Pay for performance is a "double whammy" to physicians already dealing with a "terrible" reimbursement system, Dr. Levy added.

Pay for performance is just one application of performance measures, which also are intended to help physicians track their own progress in improving quality of care and provide publicly reported data that patients can use when choosing physicians.

The federal government has launched several pilots to test performance measures. In one, a 3-year demonstration project of small and medium practices in four states, primary care physicians are getting incentives for adopting information technology systems and for their results on clinical quality measures.

In another 3-year project, 10 large physician group practices are getting additional payments from CMS if they improve outcomes for Medicare beneficiaries.

The ACP and other medical organizations also are working with contractors on a third Medicare project that is using financial incentives and technology support to improve care for patients with diabetes or heart failure. ■