An additional 10,000 children got two needed immunizations, and 180,000 more patients were tested for diabetes, he reported.

Although some groups scored fairly high, specialists didn't fare as well. Patients cited access problems to specialists as a specific complaint in the satisfaction surveys, Dr. Bangasser said.

The estimated aggregate payment to physician groups in the IHA program in 2003 was between $40 million and $50 million, although some groups thought they didn't get paid properly, Dr. Bangasser said.

There were some concerns about increased utilization and cost of services for groups participating in the program, and what the long-term returns on investment would be.

It was also determined that groups serving large Hispanic or Native American populations should get "extra credit" for having to deal with more diverse, culturally different populations.

Applying the right types of incentives is key, he said.

"If a physician thinks the measure is a good idea, putting a little money behind it will speed quality improvement. However, if the physician thinks the measure is not going to improve quality, $1 million will not change behavior," Dr. Bangasser said.

Sometimes, the simplest incentives can produce good results.

Dr. Bangasser mentioned a particularly bad influenza season in 1998, when patients had to wait in long lines to see physicians in his group practice. "I asked all of the doctors if they'd take on two more patients a day. That's a long day, but I gave them two tickets to a movie theater for Christmas."

All but two physicians took on the extra patients. "This meant that over 60 physicians saw an extra 120 patients per day," he said. ■

Recruitment Trends Track Rising Salaries

In medicine, salary offers are going up. The Merritt, Hawkins & Associates 2005 survey on recruitment trends showed steady increases for all of the top 15 recruited specialties in 2005. For example, the average income offered to recruit cardiologists rose from $292,000 in 2003-2004 to $320,000 in 2004-2005, whereas the average offer to orthopedic surgeons increased from $330,000 in 2003-2004 to $361,000 in 2004-2005.

In primary care, the average income offered to recruit internists rose from $148,000 in 2001-2002 to $152,000 in 2003-2004 and crept up to $161,000 in 2004-2005. For the same years, average income offers for family physicians increased from $144,000 to $146,000 to $150,000.

Geographically, salaries were often lower in the Northeast than in other regions. For internists, the average offering there was $155,000 but was $164,000 in all other regions of the country. This trend also was seen in psychiatry, neurosurgery, general surgery, and cardiology. Salary offers for family physicians were slightly higher in the Southeast and Midwest ($151,000-$152,000) than in the Northeast and West, where income offers were $144,000-$145,000.

There are several reasons for the disparity, Mr. Miller said. "There's a higher rate of physicians per population [in the West and Northeast], so in general, production goals based on volume of patients seen are harder to reach. Also, managed care is minimal in many places in the high-earning states, such as Texas, where HMOs like Kaiser tried but failed to catch on, and where the old fee-for-service model still lives."

—Jennifer Silverman

Reimbursement Plan Questioned

The much talked about "pay-for-performance" style of reimbursement system is still largely untested and is not designed to reap cost savings, "particularly since most of the quality measures it targets are of underuse," Meredith B. Rosenthal, Ph.D., of Harvard School of Public Health, Boston, said during testimony before a subcommittee of the House Committee on Education and the Workforce.

In addition, there is little guidance in the literature for purchasers and health plans to reference when they set out to design their pay-for-performance programs.

"If only a few of the many payers that a provider contracts with are paying for performance, or if each payer focuses on a different measure set, the effects of pay for performance may be dulled." She suggested that Congress fund more research by the Agency for Healthcare Research and Quality to identify approaches that would improve this method's cost-effectiveness and increase the likely gains in quality of care.

—Jennifer Silverman