

The Impact of Pay for Performance on Healthcare Disparities

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Financial Conflicts of Interest

- None



Bill Would Stop Medicare Pay Cuts, Institute Pay-for-Performance

By Leslie Champlin

Medicare would increase physician payments by 1.5 percent for 2006, permanently fix the formula by which those payments are calculated and implement



DOCTORS CALL FOR CHANGES

American Medical News

amednews.com

AMERICAN MEDICAL ASSOCIATION • VOLUME 40 NUMBER 37

Support grows to inject more cash into Medicare pay-for-performance

Can health care change?

Government & Medicine

Pay-for-Performance

SPECIAL SECTION

AMA: Go slow on pay-for-performance

EDITORIALS

Pay for Performance

A Physician's Guide to Evaluating Incentives

MetroDoctors The Journal of the Hennepin and Ramsey Medical Societies

Pay-for-Performance Research

How to Learn What Clinicians and Policy Makers Need to Know

R. Adams Dudley, MD, MBA

driven hypotheses, complete and informative

Other Disclosures

- Committee Member, AMA Physician Consortium for Quality Improvement: Geriatric P4P Work Group.
- Committee Member, MMA/MCHP P4P Alignment Work Group.
- CME Speaker:
 - University of Minnesota
 - University of Louisville
 - North Dakota Association of Family Physicians
 - CBC/NMQF Summit
 - Healthcare Incentives Institute Summit
 - American Society for Bioethics & Humanities
 - Canadian Bioethics Society
 - Society for Teachers of Family Medicine



Following this session, participants will be able to:

1. Explain how a pay for performance (P4P) model of physician reimbursement functions.
2. Cite 5 ways P4P may impact healthcare disparities.
3. Describe 5 features of P4P programs likely to reduce healthcare disparities.



Objective #1

Explain how a P4P model of physician reimbursement functions.



P4P Definition

- Third party payer or health system awards periodic bonus to clinicians achieving particular quality goals.

Foubister, Vida. "Issue of the Month: Pay-for-Performance in Medicaid" *The Commonwealth Fund*. Accessed 8/29/05
http://www.cmwf.org/publications_show.htm?doc_id=274106



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The Charitable Interpretation of P4P

P4P reimburses physicians for providing quality care, and finances quality improvement innovations.



The Skeptical Interpretation of P4P

P4P enables third party payers to control costs by bribing physicians to follow prescribed practice patterns.











The P4P Rationale

A → B

B → C

A → C





Objective #2

Cite 5 ways P4P may impact healthcare disparities.



1. Reward standardized care

- There is currently no financial incentive to adhere to clinical guidelines or improve patient outcomes.
- P4P provides a financial incentive to close the chasm⁴ between the healthcare patients could receive and the healthcare they do receive.

Crossing the Quality Chasm: The IOM Health Care Quality Initiative. <http://www.iom.edu/CMS/8089.aspx>



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2. Align clinical goals with payment*

- Under P4P it does not matter how you achieve quality.
- Unprofitable enterprises under fee-for-service become valuable through P4P bonuses:
 - » Community partnership (COPC)
 - » Patient education
 - » Developing a therapeutic relationship

3. Access to care for sicker patients

- Sicker patients may have more limited access when clinicians are rewarded for healthier patients under P4P.
- Special programs for Diabetics close to goal, but nothing for patients far from goal.
- Risks of Diabetic complications rise exponentially for patients far from goal.

Shen Y. Selection incentives in a performance-based contracting system. *Health Serv. Res.* 2003;38:535-52

United Kingdom Prospective Diabetes Study. (UKPDS) <http://www.dtu.ox.ac.uk/index.html?maindoc=/ukpds/>

Diabetes Control and Complications Trial (DCCT). <http://diabetes.niddk.nih.gov/dm/pubs/control/>



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4. Access to care for the underserved

- Rural, minority, and poor patients all have, on average, worse outcomes.
- These patients may be excluded from practices.
- Clinics serving a higher proportion of these patients will be financially disadvantaged.

Zaslavsky, A.M., J.N. Hochheimer, et al. “Impact of sociodemographic case mix on the HEDIS measures of health plan quality.” *Med Care* 38(10): 981-92, 2000.

Hood, RG. Pay-for-Performance—Financial Disparities and the impact on Healthcare Disparities. *Journal of the National Medical Association*. 2007: 99(8) 953-958

Satin, DJ. Paying Physicians and Protecting the Poor. *Minnesota Medicine*, Apr. 2006, p42-44



5. Minority engagement

- Many of our guidelines rely upon data, values, and preferences of the majority culture.
- Current P4P programs typically do not allow for exceptions.
- When faced with exceptional patients, clinicians must have the moral fortitude to exercise clinical judgment despite P4P.

Satin DJ, Miles J. Practice Incentives and Professional Responsibility. *AMA Virtual Mentor*, November 2008.
<http://virtualmentor.ama-assn.org/2008/11/ccas1-0811.html>

Weiss G, What would you do? New issues in medical ethics. *Medical Economics*, Aug 2006, p56-61

Satin, DJ. The Impact of Pay-for-Performance Beyond Quality Markers – A Call for Bioethics Research. *Bioethics Examiner*, University of Minnesota Center for Bioethics, Fall 2006.



Objective #3

Describe 5 features of P4P programs likely to reduce healthcare disparities.



P4P programs most likely to reduce disparities:

- 1. Risk adjust**
- 2. Reward access**
- 3. Allow exceptions**
- 4. Reward clinician improvement**
- 5. Greater reward for improvement in sicker patients**

See “Appendix A” for supporting references



Policy Recommendations

Regulation ?

Collaboration ?



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A person is seen from behind, their silhouette dark against a bright blue background of television static. They are looking at a television screen that displays the words "STAY TUNED" in large, bold, black capital letters. The screen is the central focus, and the person's head and shoulders are in the foreground, partially obscuring the bottom of the screen. The overall scene is dimly lit, with the primary light source being the television screen.

STAY TUNED