

Rewarding Provider Performance: Aligning Incentives in Medicare Implications for Private Payers



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Big Picture

- A Significant Turning Point in 40 Year Old Medicare Program
- Good Example of Power of Public-Private Sector Coordination
- We're at the "End of the Beginning" A Lot of Work Left to Do

IOM Report: There's A Lot to Like

- Unequivocal Recommendation to Medicare to Move for P4P
- Strong Transparency Message
- Strong Endorsement of Role of Health I.T.
- Insistence on Efficiency and Patient-Centeredness in Addition to Effectiveness

But It's Not Everything We Hoped For

- Evolutionary Change in Face of Health Care Crisis
- Physician P4P: 3-Year Lag and No Clear Mandate
- Pay for Reporting: In Most Other Sectors A Cost of Doing Business
- No Clear Break From Fee-for-Service Model

Three Key Messages for Private Sector

Stay the Course Combined
Public/Private Payment Critical

Expand What's Rewarded. . . . Efficiency, Care
Coordination, . . . Patient-Centeredness

Coordinate Efforts A Focused Message
to Providers Will Accelerate
Change

High Level P4P Guidelines

- Reward Improvement and Achievement
- Use Measures That Have Been Through Consensus Process
- Integrate Efficiency and Patient-Centeredness With Effectiveness Measures
- Coordinate With Other Payers to Create Meaningful Rewards
- Support the Development of an Evidence Base for P4P

Thoughts on Next Steps for Employers

- Use Contracts With Health Plans to Require:
 - Increasing Provider Payments Based on Performance
 - Use of Consensus-Driven Performance Measures (Rather Than Plan-Specific)
 - Public Release of Provider-Level Measures That Are Understandable to Consumers and Patients
 - Participation in the P4P Learning System
- Reward Health Plans on Their Performance of These Specifications