

The National Pay for Performance Summit
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Los Angeles, California
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Financial Incentives and Quality Improvement

Brent C. James, M.D., M.Stat.
Executive Director, Institute for
Health Care Delivery Research
Intermountain Health Care
Salt Lake City, Utah, USA

W. Edwards Deming

***Organize everything around
value-added (front line) work processes***

(Quality improvement is the science of process management)

Three classes of outcomes

- ▶ **Physical outcomes** (*traditional medical "quality"*)
 - medical outcomes: complications and therapeutic goals
 - includes functional status measures (patient perceptions of medical outcomes)
- ▶ **Service outcomes**
 - satisfaction: patients and families, communities, professionals, purchasers, and employees
 - includes access issues (e.g., waiting times)
- ▶ **Cost outcomes**
 - just another outcome of a clinical process
 - includes the cost of the burden of disease

Quality controls cost

More accurately,
*Quality and cost are two sides of
the same coin ...*
*anything you do to one affects
the other*
(similarly, cost controls access)

