NCQA

# Effective Clinical Incentives: Improving Quality and Efficiency

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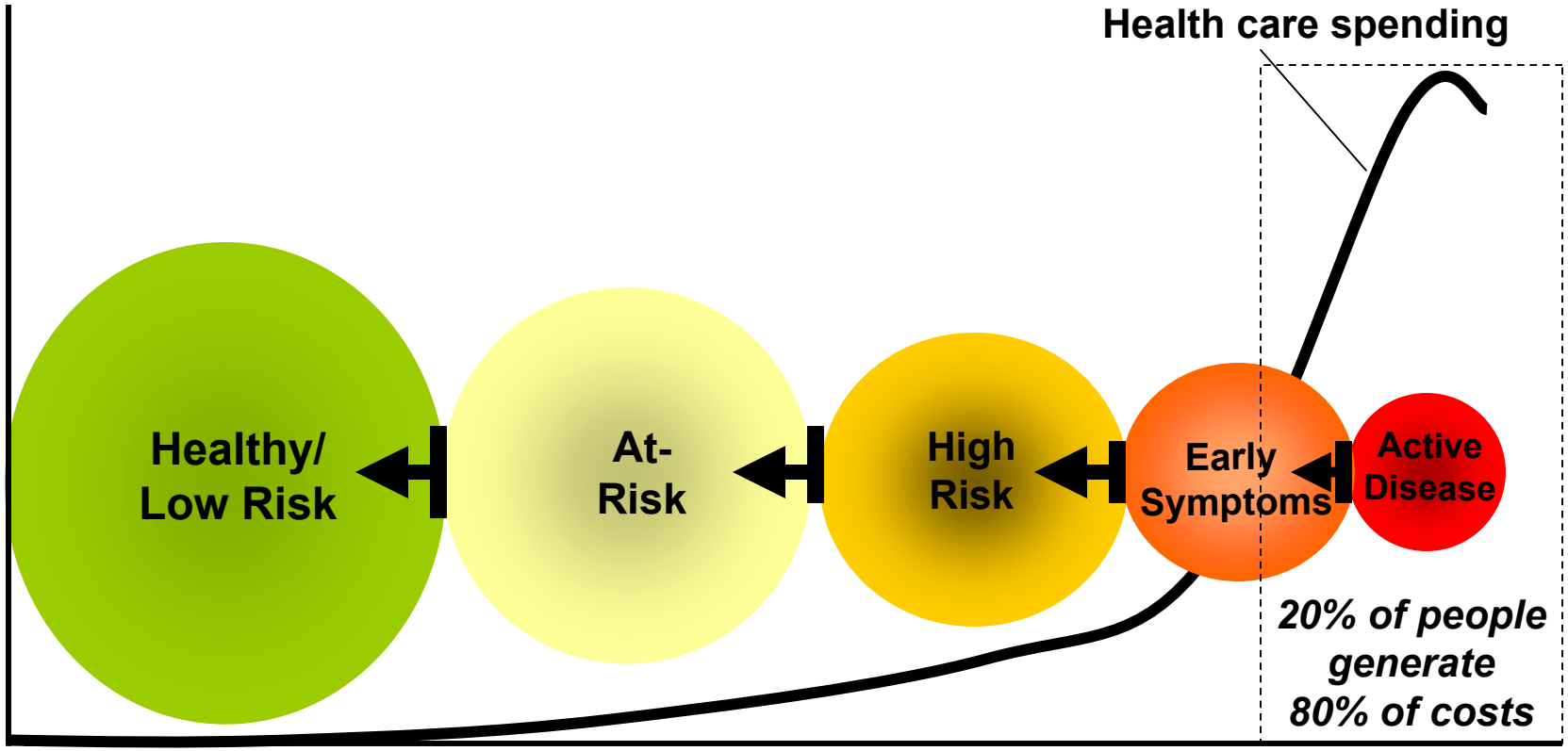
# Today's Presentation

- The need for clinical incentives
- Quality measurement leads to quality improvement
- Using payment to drive quality
- Using quality to drive efficiency

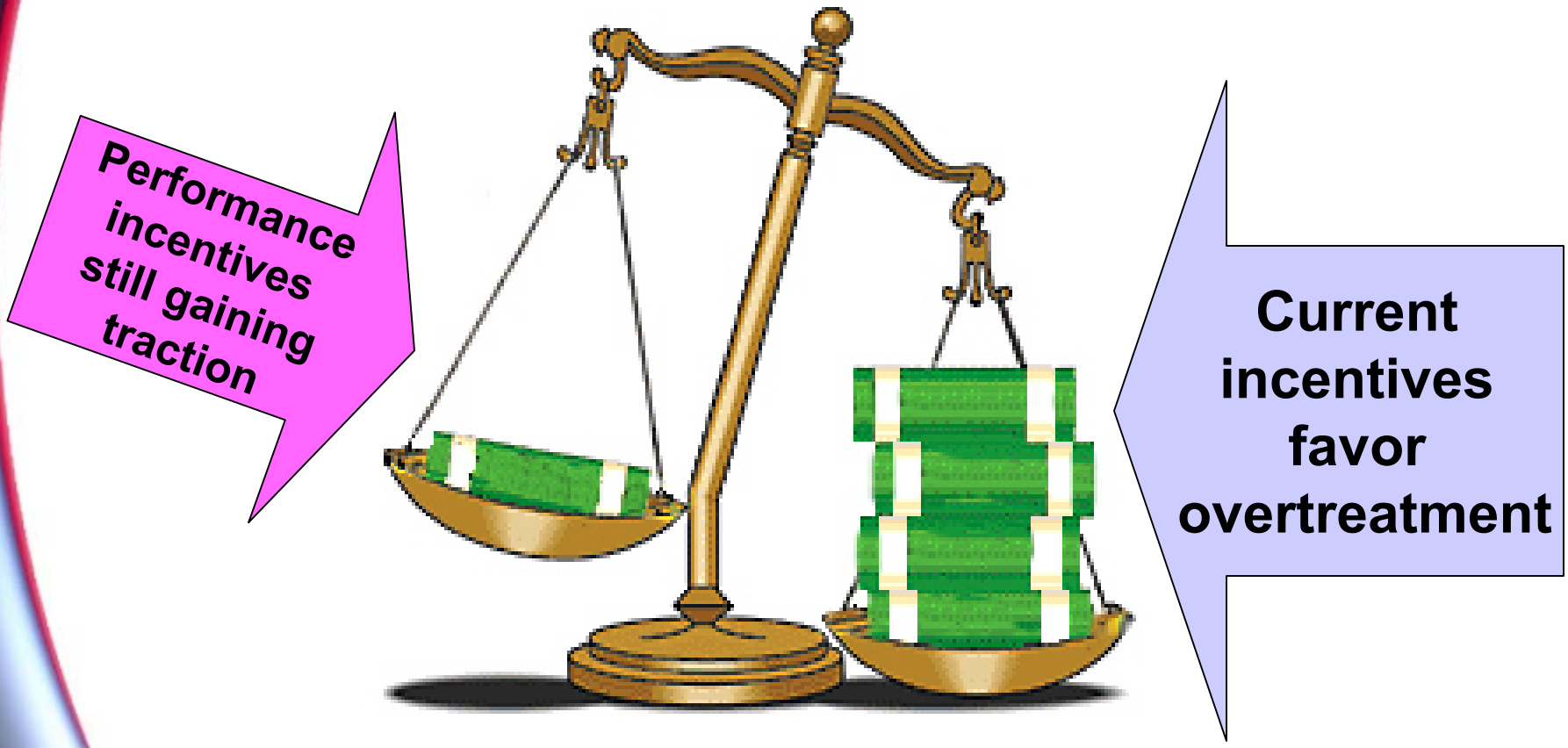
# What is the Health Care System Supposed to Do?



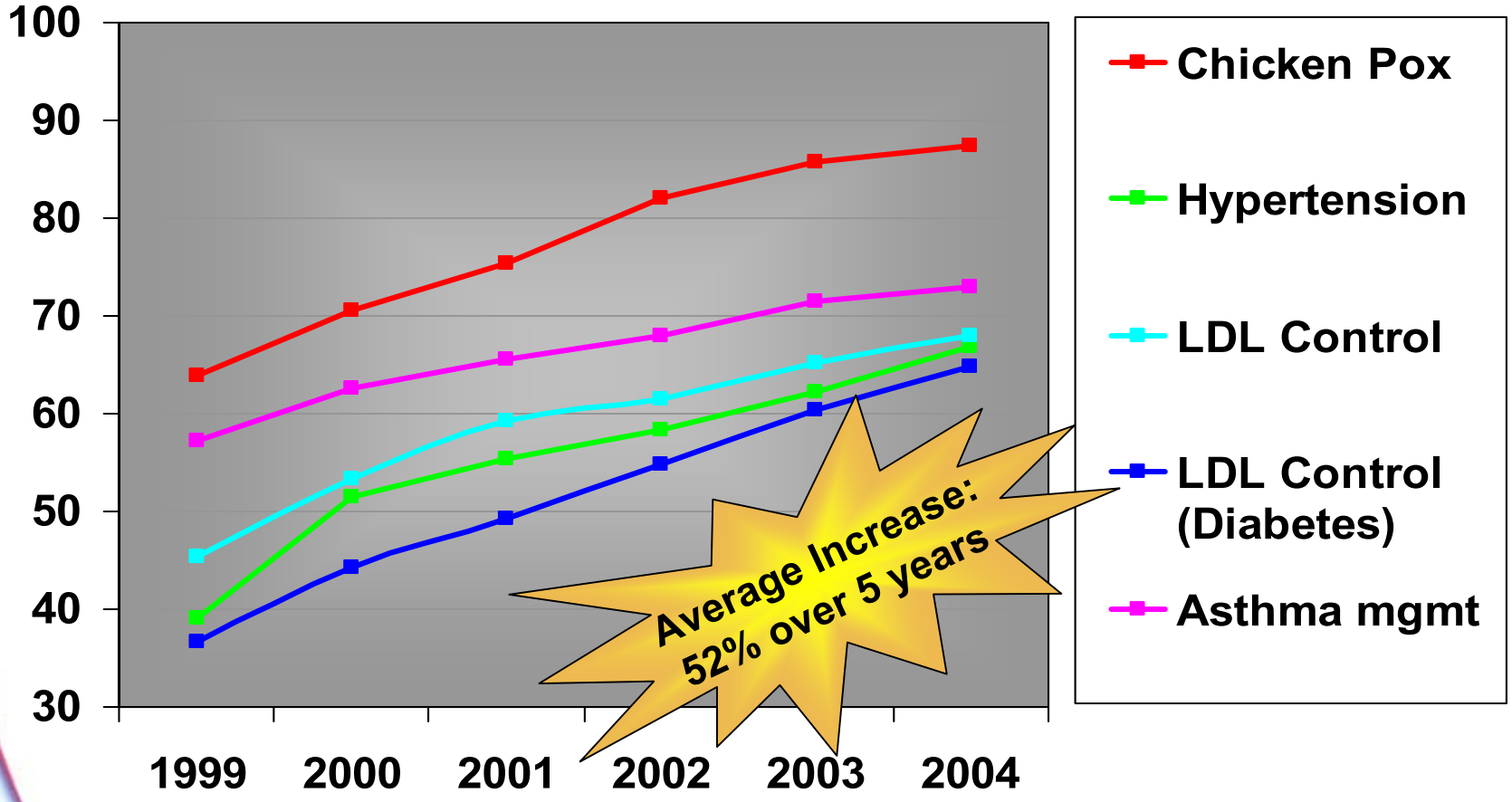

## A *value-based* health care system

Source: HealthPartners

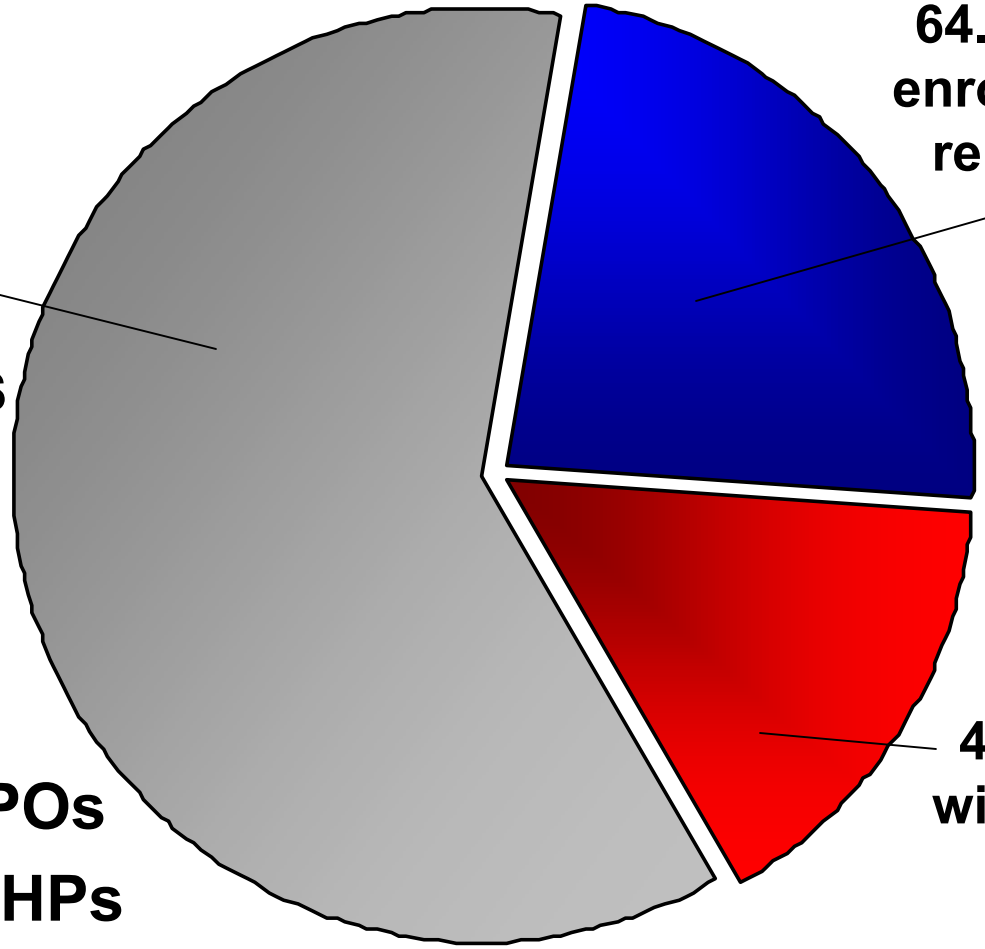
# The System Rewards Volume, Not Effective, Efficient Care



# Measurement Leads to Improvement: Selected HEDIS Measures, 1999 – 2004

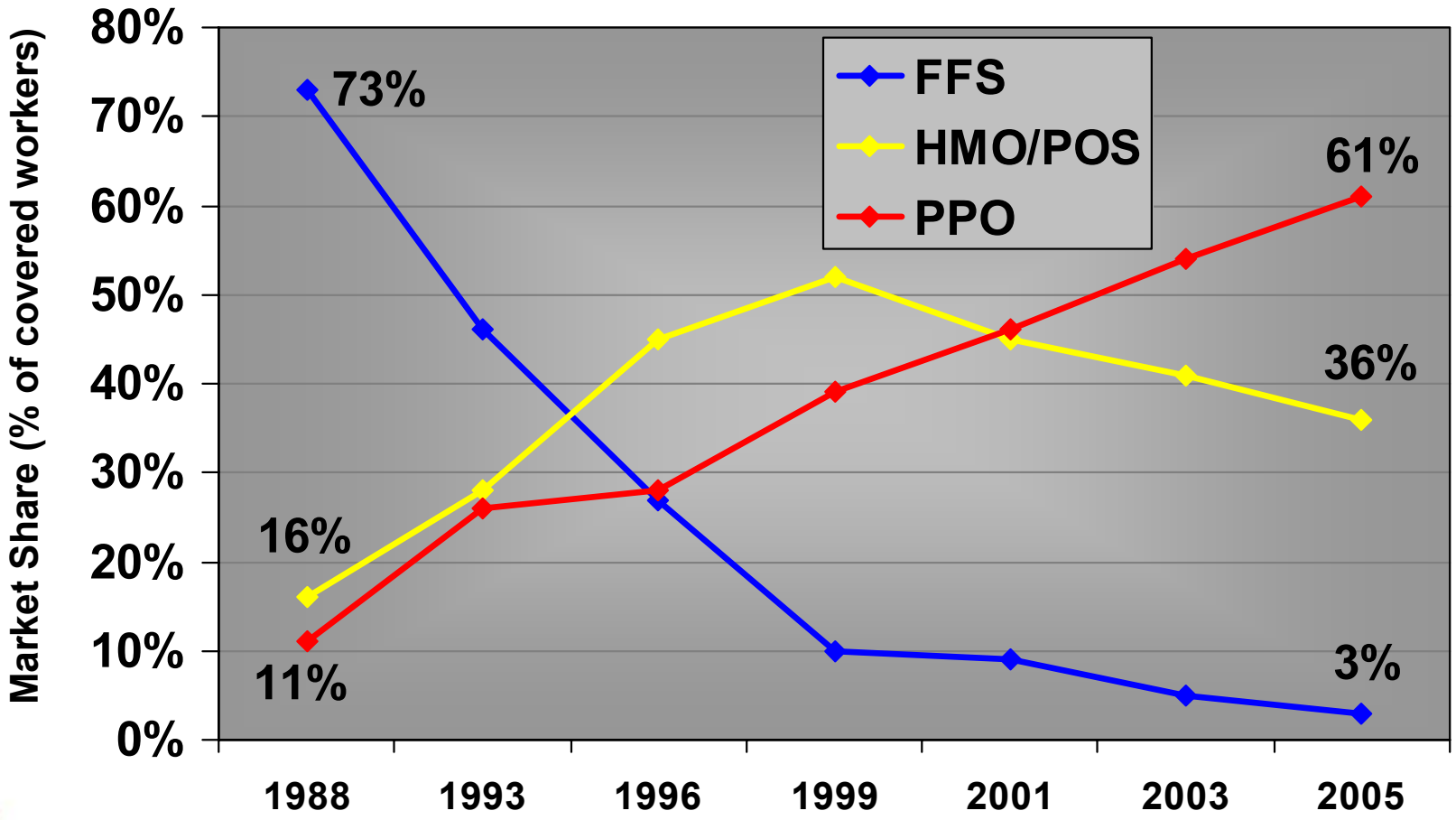


# Only 21.5% of Americans Enrolled in Accountable Plans




- few PPOs
- no HDHPs
- no "FFS" Medicare

# Enrollment Trends
## HMO/POS, PPO, and Fee for Service
### 1988-2005




*Kaiser Family Foundation, 2005 Employer Health Benefits Survey*

# NCQA Physician Recognition Programs



# Many Uses for Physician Recognition Programs


*Health plans show seals in Provider Directory*

*Aetna*

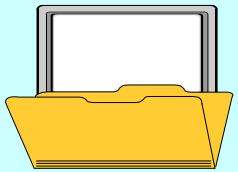
*CIGNA*

*GeoAccess*

*Humana*

*Medical Mutual (OH)*

*United*



*Help practices with data collection*

*Blue Care Network (MI)*

*BTE (KY, MA, OH, NY)*

*Oxford (NY)*

*United (4 areas)*

*Pay rewards and/or applications fees to recognized MDs*

*Anthem (VA)*

*Blue Care Network (MI)*

*BTE (KY, MA, NY, OH)*

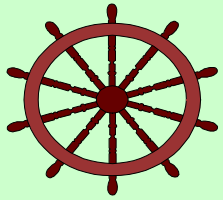
*CareFirst (DC-MD-VA)*

*ConnectiCare*

*HealthAmerica (PA)*

*Oxford (NY)*

*First Care (FL)*



*Actively steer patients to recognized MDs*

BTE (KY, OH)

Oxford (NY)

*Use for network entry*

Aetna, CIGNA

# Forthcoming Recognition Programs

- Spine Care
- Oncology (with ASCO)
- Advanced Primary Care

# Opportunities to Improve Efficiency

**Today:**

1. **Decrease underuse – prioritize to ROI**
2. **Decrease medical errors**
3. **Decrease overuse – begin with outliers/reform payment**
4. **Test new models to reward careful stewardship of resources, be vigilant about underservice**

# Opportunities to Improve Efficiency

Tomorrow:

1. Increase patient engagement in self-care
2. A robust cross-specialty guidelines process
3. Public-private technology assessment process
4. Shared decision-making
5. A comprehensive payment reform strategy

# Payment Reform: A Modest Proposal

**Today:**

1. **Stop paying for medical errors**
2. **Monitor practice patterns and deal with outliers**

**Tomorrow:**

1. **Create true incentives for quality, safety and efficiency for providers and patients**
2. **Disallow perverse incentives for physicians and hospitals to overuse drugs/devices (e.g., cancer drugs, biologicals, or preferentially using certain brands) or procedures**

# We Need Clinically Accountable Entities

- **Medical Home:**
  - Complex pediatrics
  - Geriatrics
  - Cancer
  - HIV
- **Coordinated group practice**
- **High performance network**
- **Hospital-centered network**
- **Care management**

# Measuring Clinical Efficiency: Suggested Principles

- Measure Value - not quality or costs alone, but *both.*
- Measures must be methodologically sound, usable and feasible
- Comparisons must be fair; risk adjustment plays a role
- Place accountability at the level of the system where it wields influence—and can *be* influenced.
- Measurement itself must also be accountable; methodology should be in the public domain
- Practice makes perfect! Measures should be quick to implement and account for improvement over time
- Maximize data availability, minimize expense and measurement burden: use electronic data where possible

# Summary

- We are facing a cost and quality crisis
- We need to think hard about a strategy for addressing both
- P4P can help improve quality, efficiency
- But comprehensive payment reform is essential