Now What Do We Know about Performance Incentives?

What Challenges Remain?

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PRE	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	POST

PRE	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	POST

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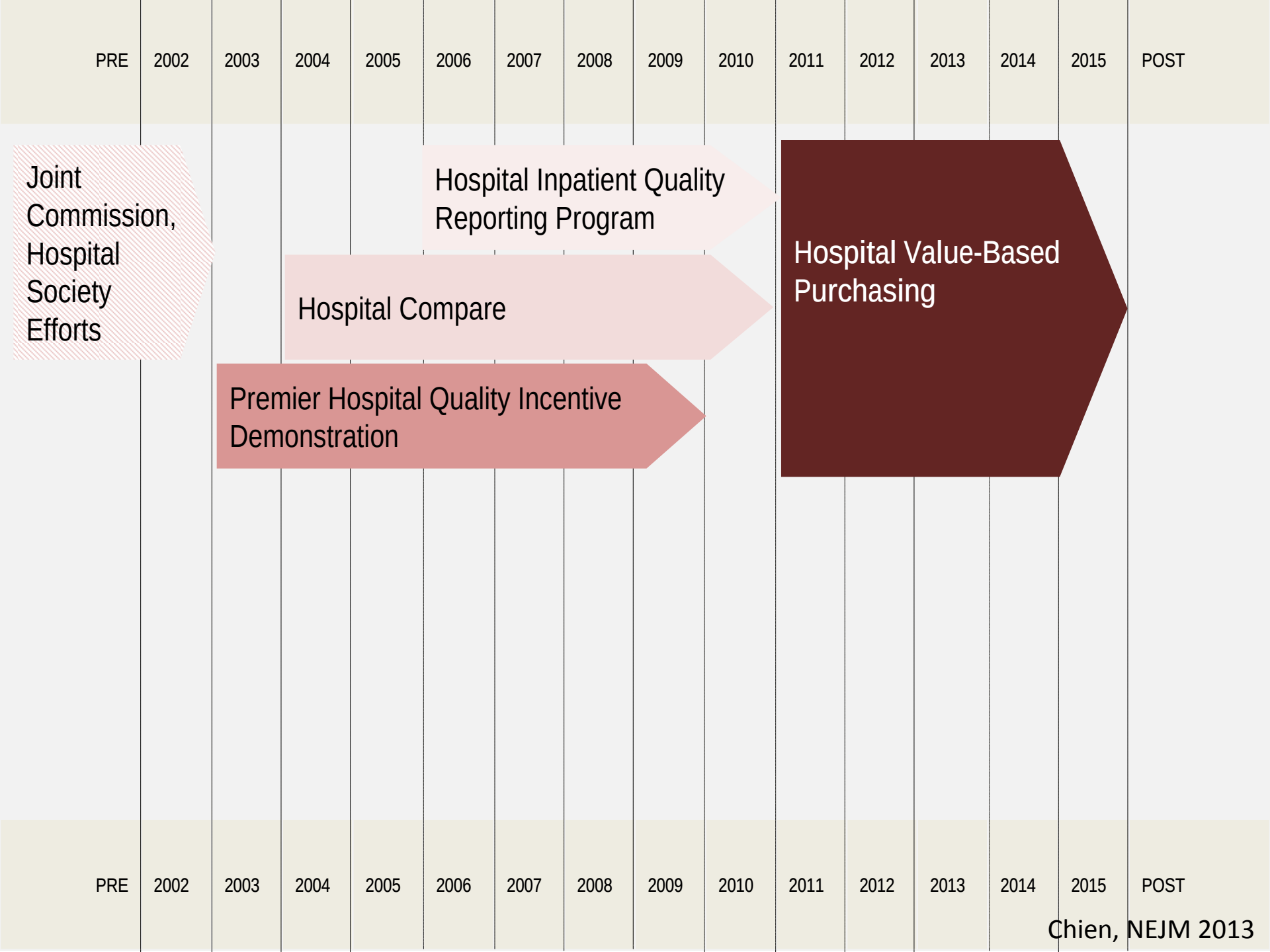
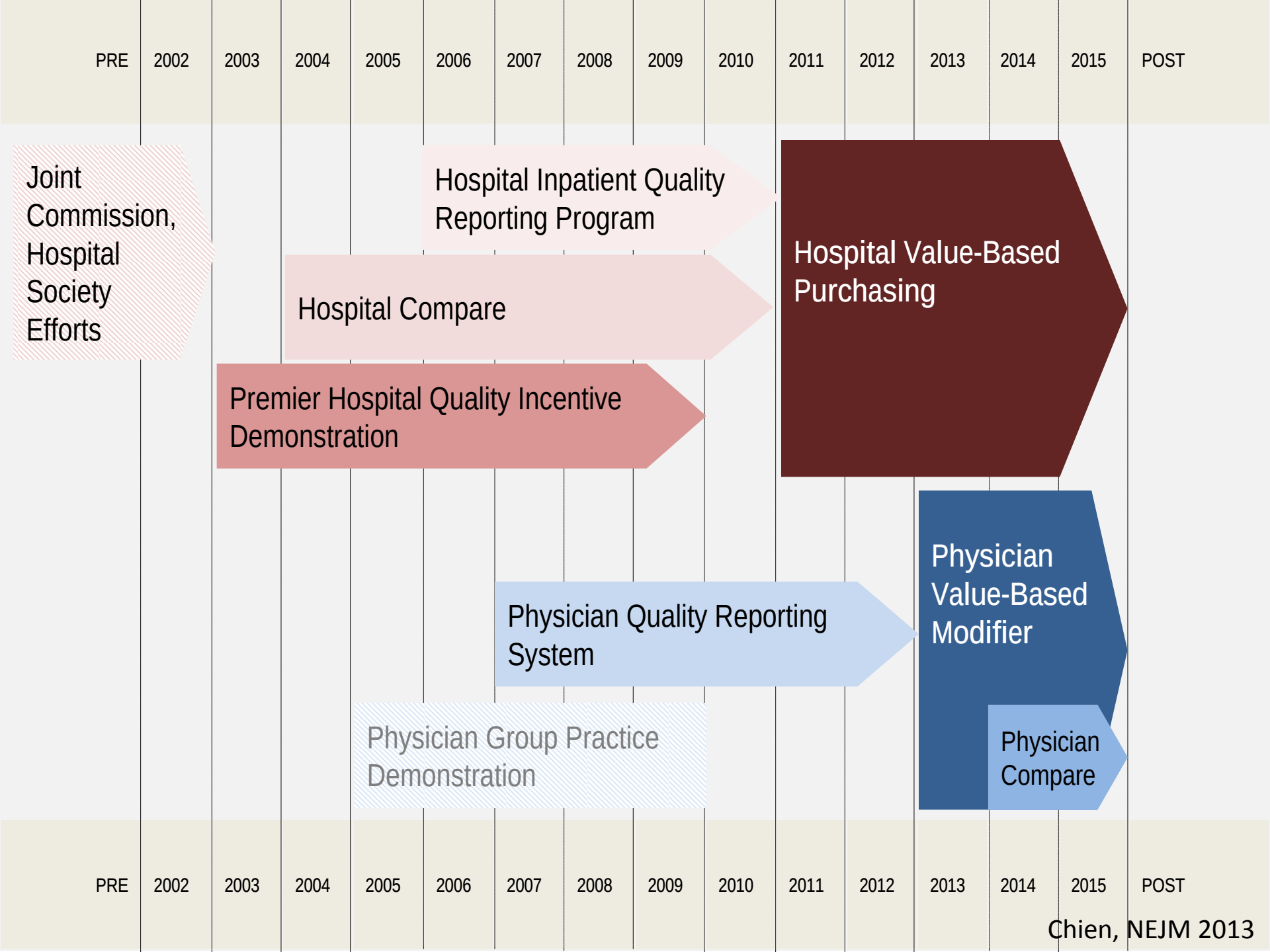


Chien, NEJM 2013



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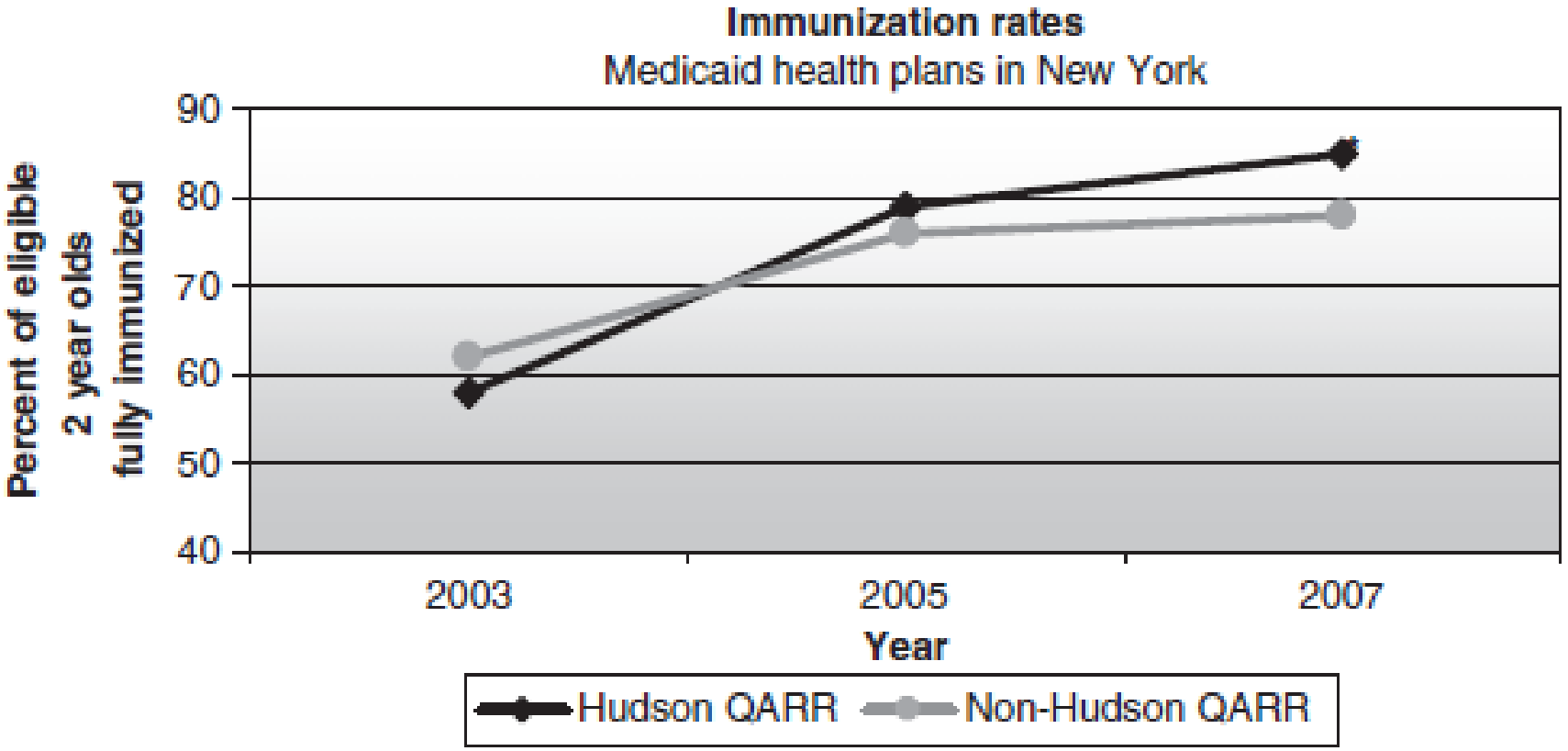
Early Evidence Ambulatory Setting

1. Performance incentives “work” sometimes
2. There are “issues”
3. Field needs:
    a. Engaged physicians
    b. Innovation and experimentation
    c. Real-world testing testing testing

Performance incentives "work" sometimes

1. In variety of experiments in pockets within primary care settings
   a. Large multi-specialty practices*
   b. Small practices
   c. Federally qualified health centers
2. For a variety of incentivized measures
   a. Preventive/acute care*
   b. Chronic disease management
3. Singly and in combination
   a. Fee-for-service
   b. Managed care
   c. Combined with risk-sharing capitation

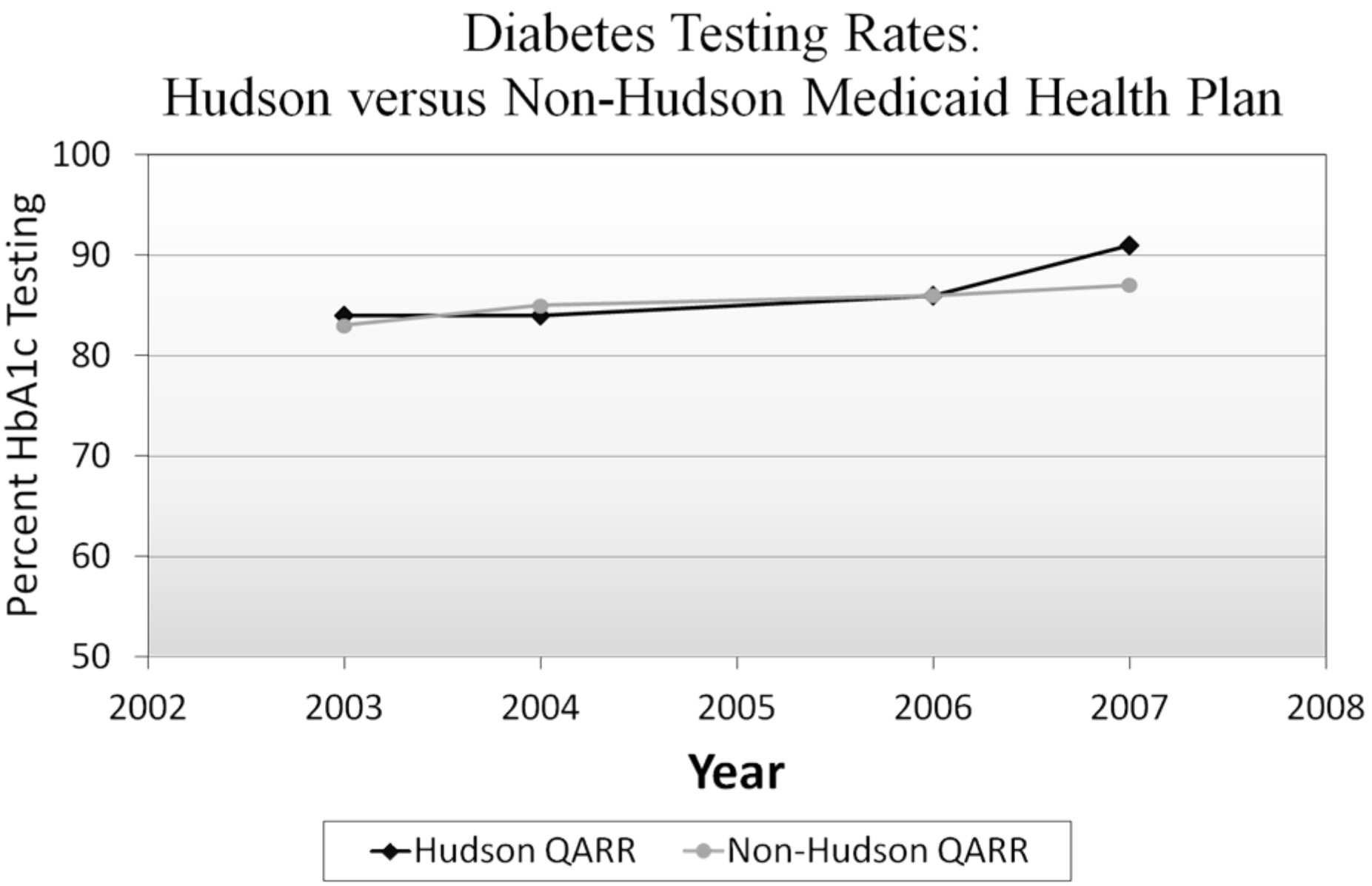
Figure 1: Immunization Rates: Hudson versus Non-Hudson Medicaid Health Plans



Notes. Data based on plan-level claims records supplemented by audited chart review.

*Immunization trend 2003–2007 significantly greater for Hudson Health Plan $p < .01$.

Chien, HSR 2010



Chien, Prev Med 2012

TABLE 3 2009 Cohort: Adjusted Difference-in-Differences in Pediatric Care Quality Pre and Post Start of the AQC

Measure Name		Measure of Pediatric Quality							
		AQC		Non-AQC		Difference-in-Difference[a]			
		Pre, %	Post, %	Pre, %	Post, %	Year 1, %	*P*	Year 2, %	*P*
Quality Measures Tied to P4P									
Aggregate	CSHCN	80.2	83.4	77.3	79.0	0.6	.03	2.4	<.001
	Non-CSHCN	79.3	82.6	73.8	76.5	1.3	.004	1.9	<.001
Prevention and screening									
Well visits: infants	CSHCN	92.0	93.1	92.4	93.1	0.2	.80	2.7	.07
	Non-CSHCN	93.6	94.6	92.9	93.6	−0.9	.43	0.0	.98
Well visits: children	CSHCN	93.6	95.7	92.9	93.0	0.3	.62	1.6	.02
	Non-CSHCN	92.3	94.7	89.7	91.2	1.7	.02	1.6	<.001
Well visits: adolescents	CSHCN	78.5	82.3	75.9	77.7	1.0	.38	2.7	<.001
	Non-CSHCN	73.8	78.0	68.6	71.3	1.0	.38	2.5	<.001
Chlamydia screening	CSHCN	53.5	65.7	51.3	55.2	4.6	.02	9.1	<.001
	Non-CSHCN	55.4	66.2	51.3	56.1	6.9	.01	7.8	<.001
Acute care									
Pharyngitis testing	CSHCN	93.9	95.0	82.1	89.8	−4.0	.05	−7.9	<.001
	Non-CSHCN	93.7	96.1	81.9	90.3	−3.8	.07	−7.3	<.001
Upper respiratory infection treatment	CSHCN	94.8	94.5	91.5	92.8	−0.1	.91	−2.6	.05
	Non-CSHCN	94.7	95.7	92.2	93.8	−1.2	.24	−1.5	.04
Quality Measures Not Tied to P4P									
Persistent asthma									
Emergency department visits		18.5	17.4	31.0	32.3	0.8	.85	−4.0	.18
Appropriate medications		7.9	6.2	9.4	6.8	0.0	.62	2.0	.11
Medication management		174	159	176	162	0.0	.997	0.1	.99
ADHD									
Follow-up: initiation		39.3	46.8	41.3	46.7	0.5	.72	3.9	.33
Follow-up: maintenance		38.7	51.0	41.2	50.1	2.4	.65	10.9	.17

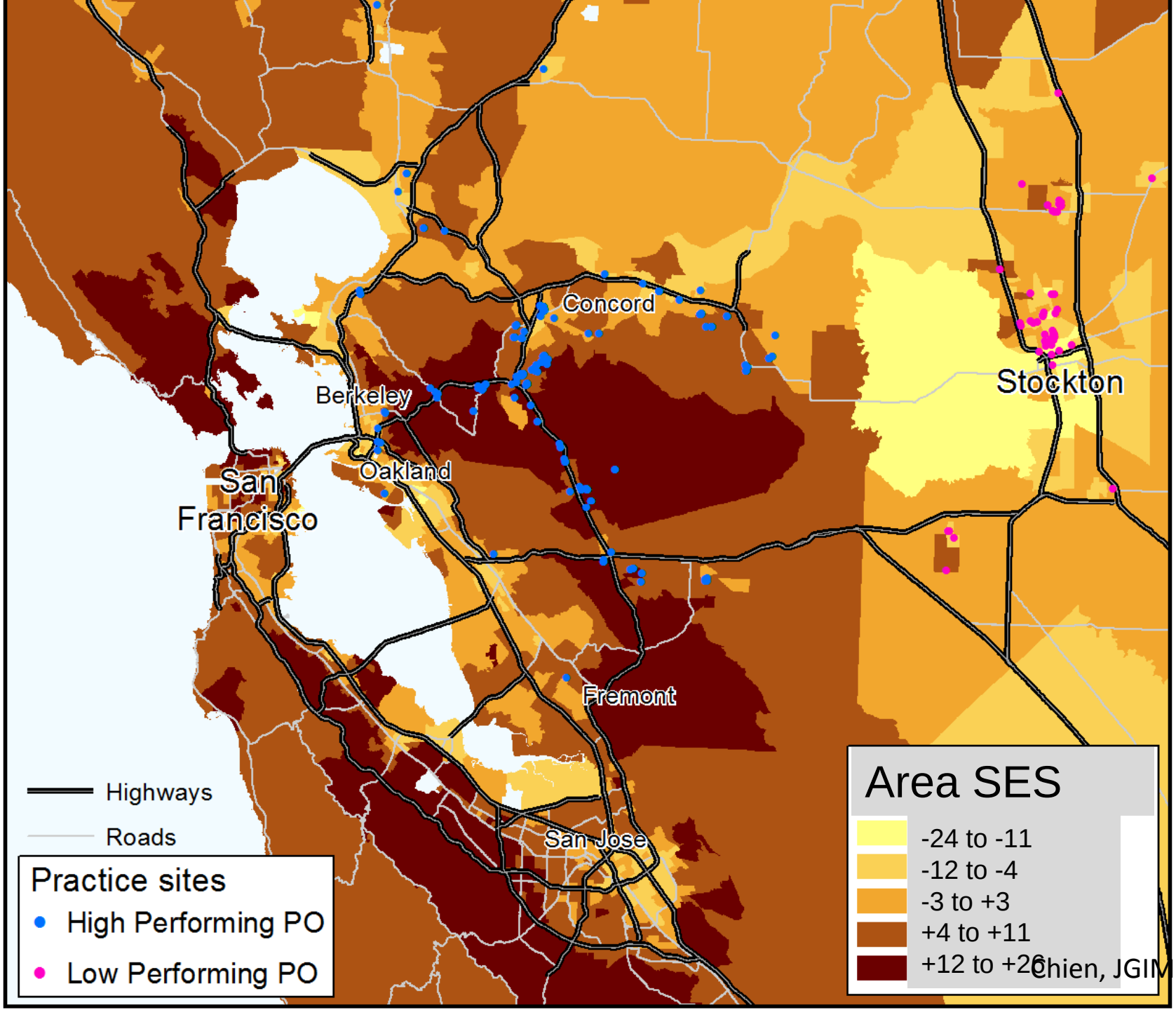
Pre, adjusted mean 2006–2008; Post, adjusted mean 2009–2010; Year 1, 2009; Year 2, 2010. Difference-in-differences figures are adjusted for patient age, gender, age × gender interaction, health risk score, and time trend.

[a] Difference-in-differences = $[(AQC_{Post} - AQC_{Pre}) - (Non\text{-}AQC_{Post} - Non\text{-}AQC_{Pre})]$.

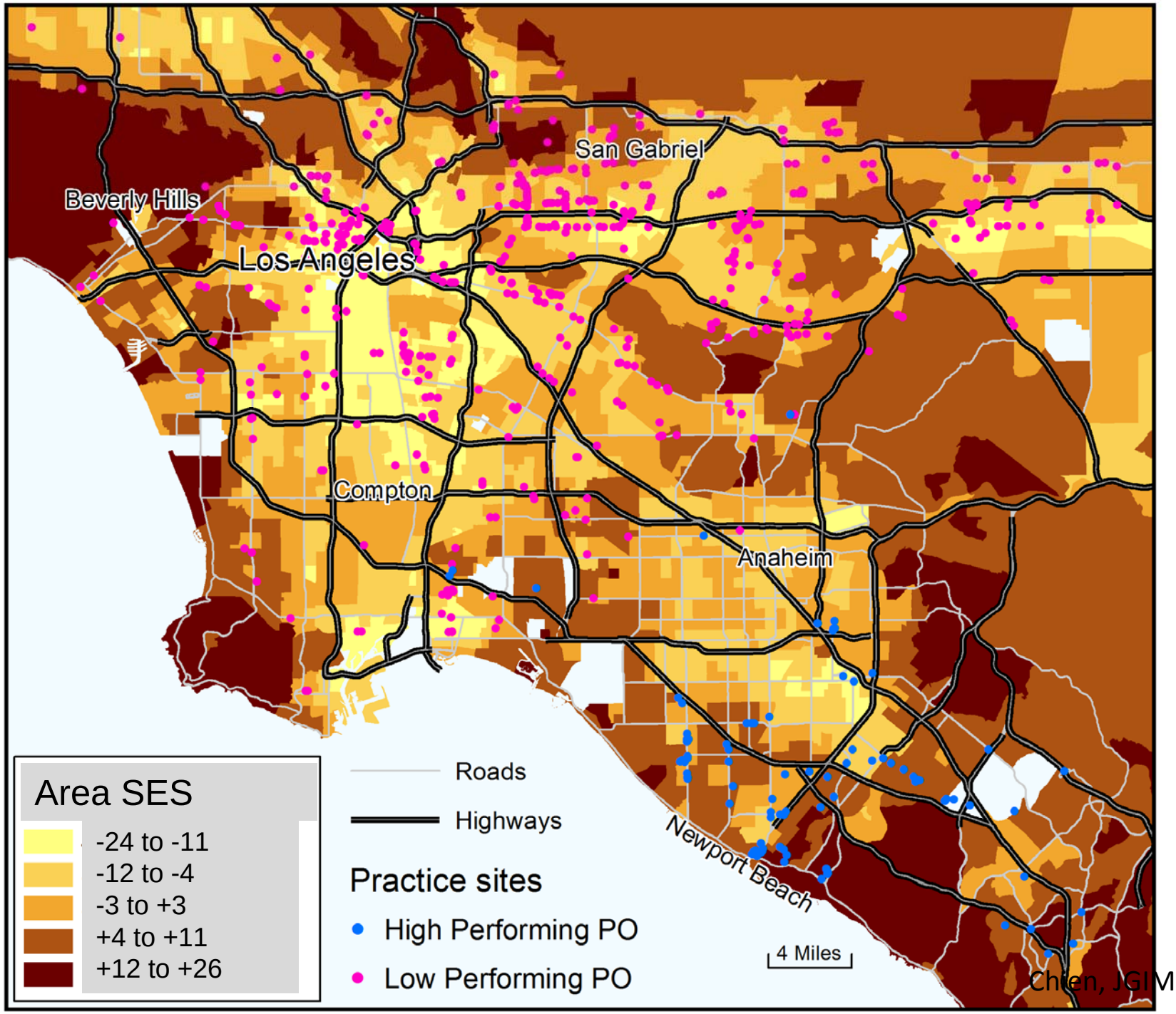
Chien, Pediatrics 2014

Performance incentives “have issues”

1. Can rewards those already doing well
2. May not motivate those in greatest need of improvement
3. Creates tunnel vision
4. Creates / deepens disparities

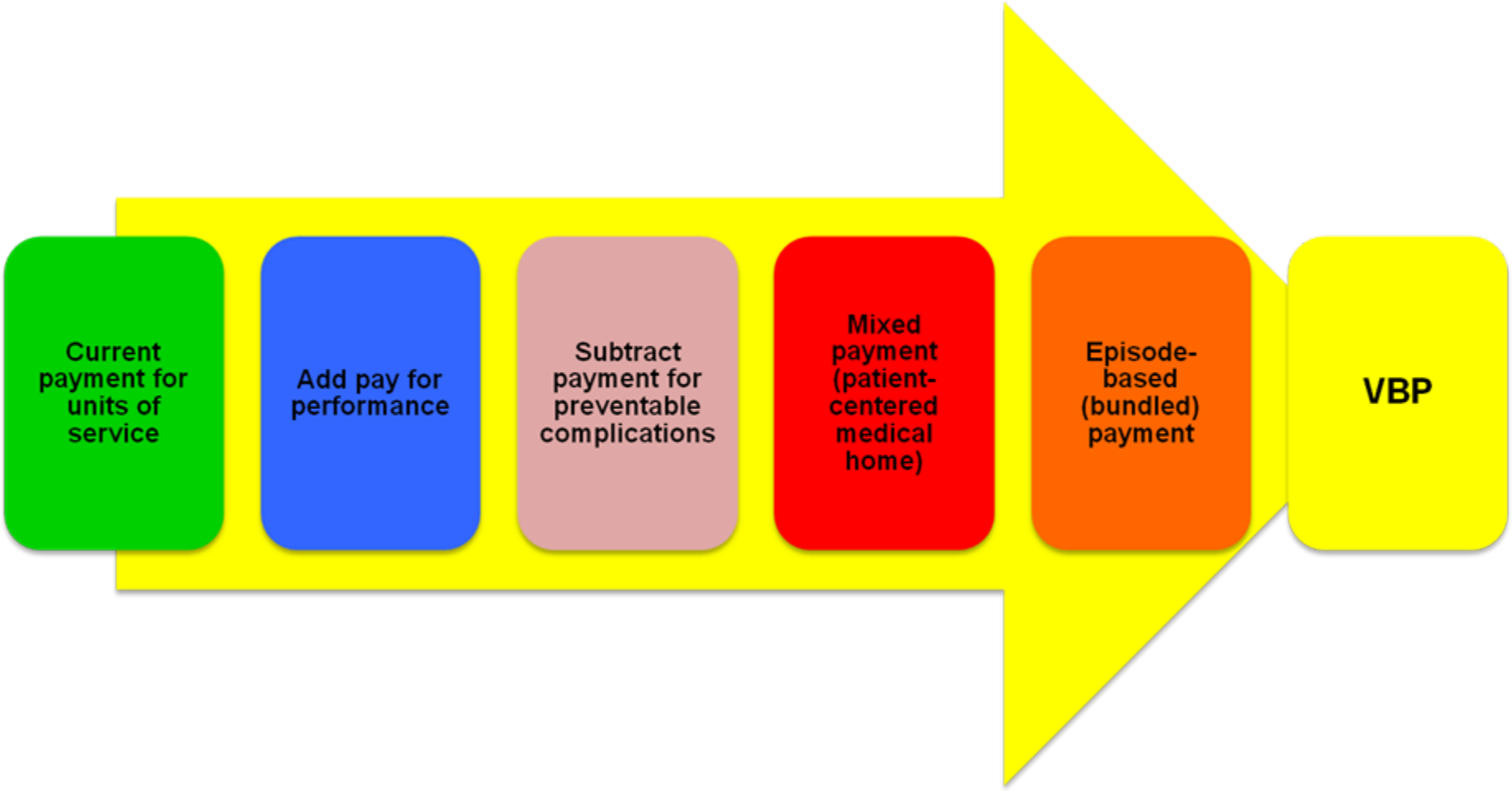


Chien, JGIM 2012



Chien, JGIM 2012

Spectrum of provider payment: reform trajectory moving towards value



Payment reform / research wish list

1. Frontline physician engagement
   a. How to share or parse responsibility for patients
   b. Attribution
2. Innovation, experimentation, testing
   a. Program design
   b. Incentive levels and blends
   c. Process versus outcome measures
   d. Attend to distributional problems

Patient Protection and Affordable Care Act

SEC. 3007. VALUE-BASED PAYMENT MODIFIER UNDER THE PHYSICIAN FEE SCHEDULE

SGR Repeal and Medicare Provider Payment Modernization Act

SEC. 2. REPEALING THE SUSTAINABLE GROWTH RATE (SGR) AND IMPROVING MEDICARE PAYMENT FOR PHYSICIANS' SERVICES […]

10 […] (b) CONSOLIDATION OF CERTAIN CURRENT LAW PERFORMANCE PROGRAMS WITH NEW MERIT-BASED IN CENTIVE PAYMENT SYSTEM.—

Questions?

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