A Delivery System's Experience with a Very Large P4P Compensation Model

VAL OVERTON, DNP
FAIRVIEW HEALTH SERVICES

JESSICA GREENE, PHD
GEORGE WASHINGTON UNIVERSITY

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Background

- Fairview Health Services is a Pioneer Accountable Care Organization in MN, with 44 primary care clinics
- Developed shared savings contract in 2009 with Medica, and then with other insurers
- In response to new incentives, in 2010 adopted a team-based delivery model
- Need to change FFS provider compensation became clear
  - Charged committee to develop a model aligned with Triple Aim

Goals of Very Large P4P Compensation Model

- Align compensation with emerging business models to speed changes in care patterns
  - Move away from productivity focus
  - Emphasize value over volume
- Create a model that would attract primary care providers to the practice
- Utilize front line clinicians in the design of the program

Very Large P4P Compensation Model

April 2011

Components of Model	Level of Measurement	Base Percentage
Quality	Team	40%
Productivity		
Panel Size	PCP	10%
Panel Size	Team	10%
Patient Encounters	PCP	20%
Patient Experience	Team	10%
Cost of Care	Team	10%
Total Compensation	Team	70%
	PCP	30%

Quality Component of the Model

Quality Metrics	Base Percentage	Example Using Median Market Salary of $200,000		
		<10% Percentile	50-59th Percentile	90th+ Percentile
Total Quality	40%	$0	$80,000	$120,000
Diabetes	12%	$0	$24,000	$36,000
Vascular Disease	12%	$0	$24,000	$36,000
Cancer Screening	6%	$0	$12,000	$18,000
Depression	6%	$0	$12,000	$18,000
Asthma	4%	$0	$8,000	$12,000

Key Evaluation Questions

- How did PCPs react to the model?
  - Changes in quality, patient centeredness, productivity, and work environment
  - Response to the team-level incentive
- How much improvement was there on the quality metrics?
  - Do larger financial incentives for specific metrics result in larger improvements?
- What are the characteristics of PCPs who improved the most under the model?
- What was the impact of the model on socio-economic disparities in quality metrics?

Mixed Method Approach

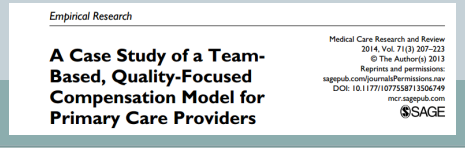
- In-Depth Interviews with PCPs and Administrators in 2011 and 2012 (n=48)
- Two on-line surveys of PCPs, 2012 and 2013 (n=156 and n=150, response rates 55% and 56%)
- Analysis of PCP-level administrative data on quality metrics before implementation and two years into implementation

Results

- How did PCPs react to the model in terms of:
  - Changes in quality, patient centeredness, productivity, and work environment
  - Response to the team-level incentive

PCPs Perception of Impact on Quality

Quality	Increased (%)	No Change (%)	Decreased (%)
Quality of your own patient care	51.3	41.5	7.2
Quality of colleagues' patient care	58.7	35.0	6.3
Reaching out to patients identified as failing on a quality metric	91.5	8.5	0.0
Amount of effort put into helping improve colleagues' quality metrics	68.4	30.9	0.7
Referring patients to chronic care education and support	54.7	45.3	0.0
Ensuring patients were up to date on quality metrics even when unrelated to the purpose of their visit	87.5	11.2	1.3



Impact on Patient Centeredness

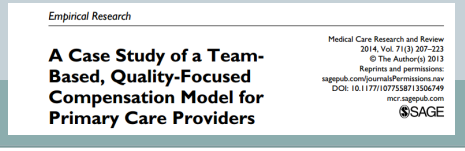
- PCPs did not increase their support of patient activation, as measured by the Clinician Support of Patient Activation Measure

  (2010-2013 panel of 70 PCPs, or 2012-2013 panel of 85 PCPs)

- In 2013, the majority of PCPs reported making a "small" or "no" increase in providing support to patients so they can manage their own care
  - 15% of PCPs reported that they had increased their support of patient self-management "a large" or "very large increase"
  - 25% made a "moderate increase" and 60% made a "small" or "no" increase

PCPs Perception of Impact on Productivity

- PCPs reported a reduction in the number of patients they saw per day from 20.1 on average prior to the model to 18.5 afterwards
- PCPs reported three key reasons for the reduction
  - Ensuring patients were up to date on quality metrics takes more time
  - With more complex patients being seen by nurses, PCPs had more complex patients to see
  - PCPs were less willing to squeeze in extra patients



PCPs Perception of Impact on Work Environment

Work Environment	Increased (%)	No Change (%)	Decreased (%)
How effectively your team works together	62.8	31.4	5.9
Tension with colleagues	53.7	40.9	5.4
Amount of control over personal compensation	21.9	13.9	64.2
Satisfaction with work	28.7	19.3	52.0

Empirical Research

A Case Study of a Team-Based, Quality-Focused Compensation Model for Primary Care Providers

Medical Care Research and Review
2014, Vol. 71(3) 207–223

DOI: 10.1177/1077558713506749
mcr.sagepub.com
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Response to Team-Based Incentive

- While PCPs saw pros and cons to a team-based quality incentive, most (73%) believed the incentive should be a mix of team and individual incentive
  - Pros: Quality improvement for the team and less patient dumping
  - Cons: Lack of control over compensation and colleagues riding on coattails of higher performers
  - Mixed: Team dynamics- greater interaction with colleagues but more tension

PCP Perceptions Summary

- Approximately half of PCPs reported that quality improved, while many more reported a greater foci on population health, metrics, and supporting colleagues
- There did not seem to be an impact on patient centeredness
- However, productivity dipped considerably as did PCPs' work satisfaction

Results

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  - Do larger financial incentives for specific metrics result in larger improvements?

Results

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Results

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Key Lessons for Fairview

- Compensation programs must be aligned with the pace of change in the business model
- Locus of control and predictability in the model are important
- Engaging clinicians in designing programs is critical
- Exploration of several issues:
  - Move to hiring for better cultural fit
  - Patient Engagement is not a natural outcome of incenting provider quality outcomes

The Next P4P Iteration

- "Right sizing" compensation shifts as business model changes.
- Risk stratification of outcomes?
- Staff sharing of P4P continues to be a topic of discussion
- Pay for work of change vs. pay for outcomes
- Measure issues:
  - Disease related quality versus overall health measures
  - Total cost of care measures
  - Ceiling effect?

Questions?