

PROCEED WITH CAUTION
performance incentive programs and racial disparities

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Outline

1. Evidence regarding performance incentive programs
2. Evidence regarding how these programs may impact racial disparities in health care
3. Leader perspectives on whether current programs are/will narrow disparities (or at least not widening them)
4. Recommendations for future design directions

Performance incentive programs (PIPs)

- *Definition.* Explicitly link rewards and/or sanctions to performance on specific measures of health care processes and/or outcomes

- “Pay-for-performance” → cash



- “Public reporting” → reputation

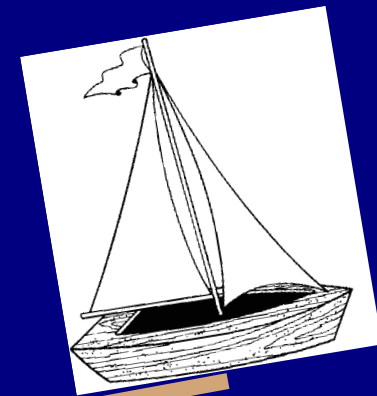
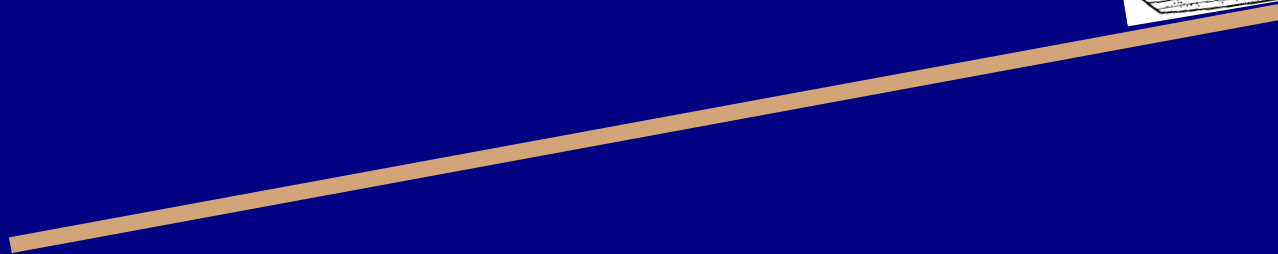


When you've seen 1 PIP...

- Context:**
- Fee-for-service
 - Capitation
 - Commercial
 - Un/Underinsured
- Payors:**
- Federal government
 - State government
 - Commercial health plans
 - Private stakeholder coalitions
- Payees:**
- Individual doctors
 - Practices/groups
 - Hospitals
- Incentivized Measures:**
- Clinical process/outcome
 - Clinical access
 - Patient satisfaction
 - Use of formulary
 - Administrative efficiency
- Incentive Triggers:**
- Risk adjustment
 - Achievement
 - Tournament
 - Improvement

Desired Effect of PIPs

Quality

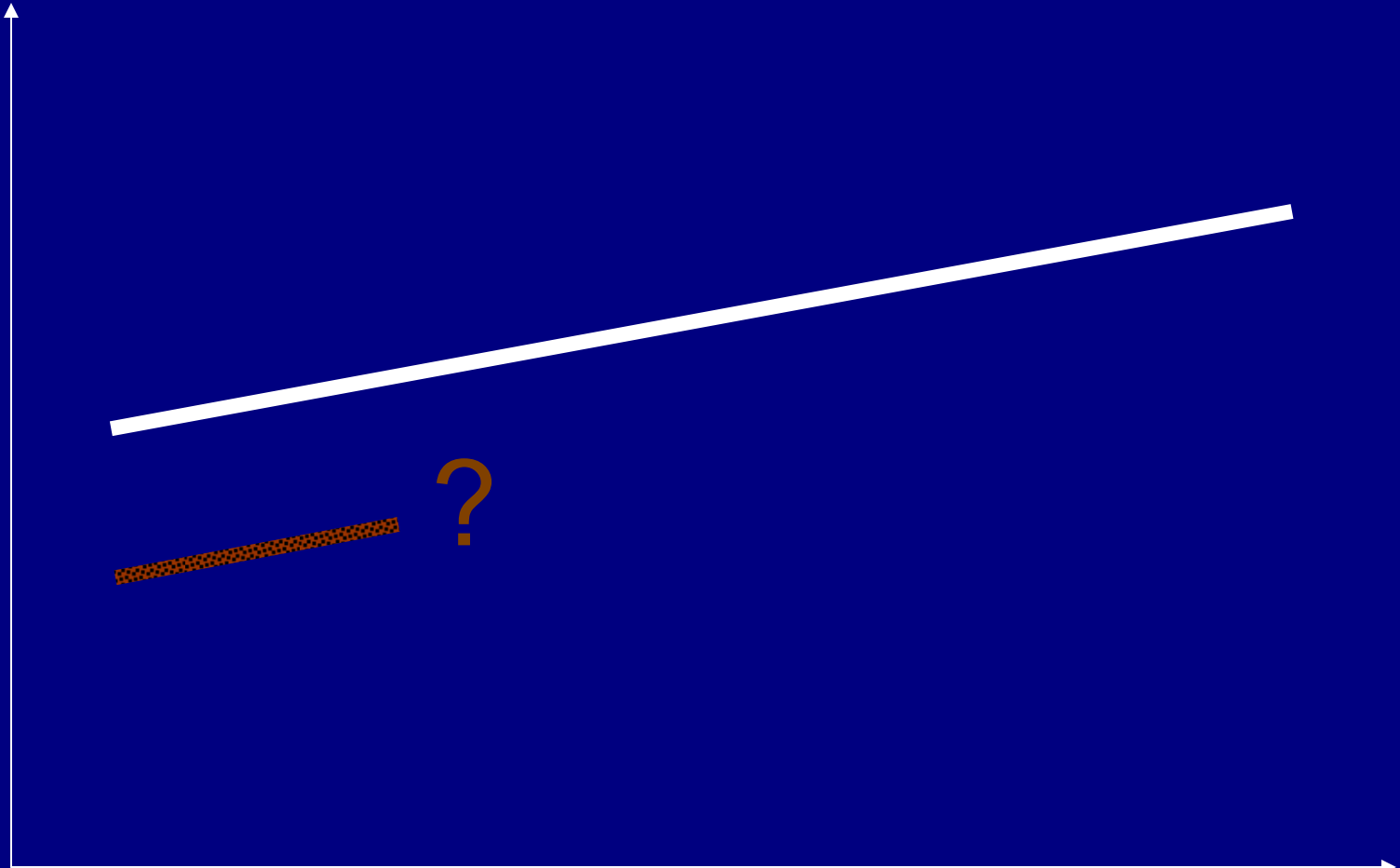


Time



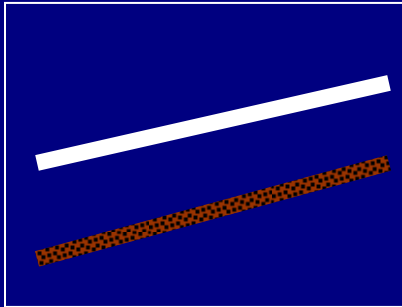
Unknown Effect on Disparities

Quality



Time

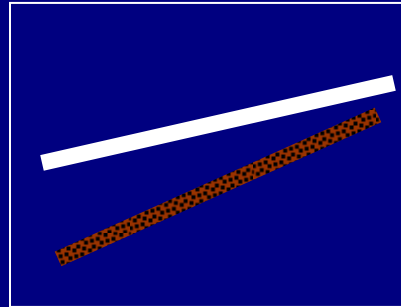
NEUTRAL



- **One-size-fits-all**
- ESRD patients
- National QI effort to:
 - ↑ hemodialysis dose
 - ↑ anemia management
 - ↑ nutritional status
- ~40% ↑ in adequate hemodialysis dosing
- White-black disparity persisted

Seghal, JAMA 2003

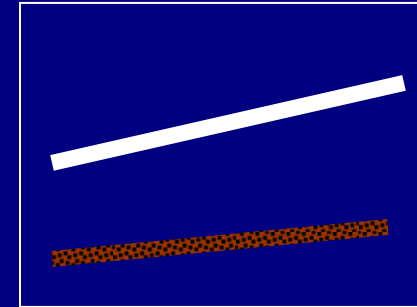
NARROWING



- **Culturally sensitive**
- Depression
- Multi-state QI effort to:
 - ↑ depression care
 - ↓ depression severity
 - ↓ functional impairment
- ~20% ↑ in depression care
- White-minority disparity eliminated

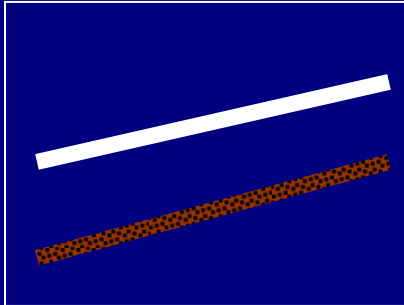
Arean, Medical 2005

WIDENING

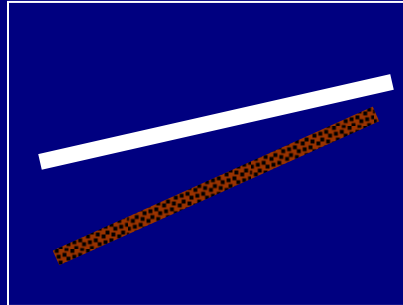


- **One-size-fits all**
- **Induces cherry-picking**
- **Widens resource gaps / “rich get richer”**

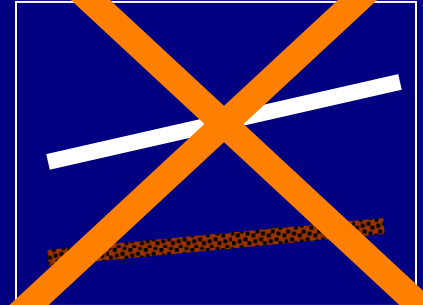
NEUTRAL



NARROWING



WIDENING



Evidence: PIP effect on quality

PIP Consequences

Significant Effect

- **Fairbrother 1998 ***
- Hibbard 2003 *
- Hickson 1987 *
- **Kouides 1998 ***
- **Norton 1992**
- Pourat 2005

Mixed Effect

- Beaulieu 2005
- Clark 1995
- Casalino 2003
- McMenamin 2003
- **Rosenthal 2005**

No Effect

- Grady 1997
- Hillman 1998 *
- Hillman 1999 *
- **Shen 2003**

2 improved documentation only
2 noted cherry-picking
1 rewarded those already doing well

*Randomized design

*Dudley, AHRQ Technical Paper 2004;
Peterson, Annals Int Med 2006*

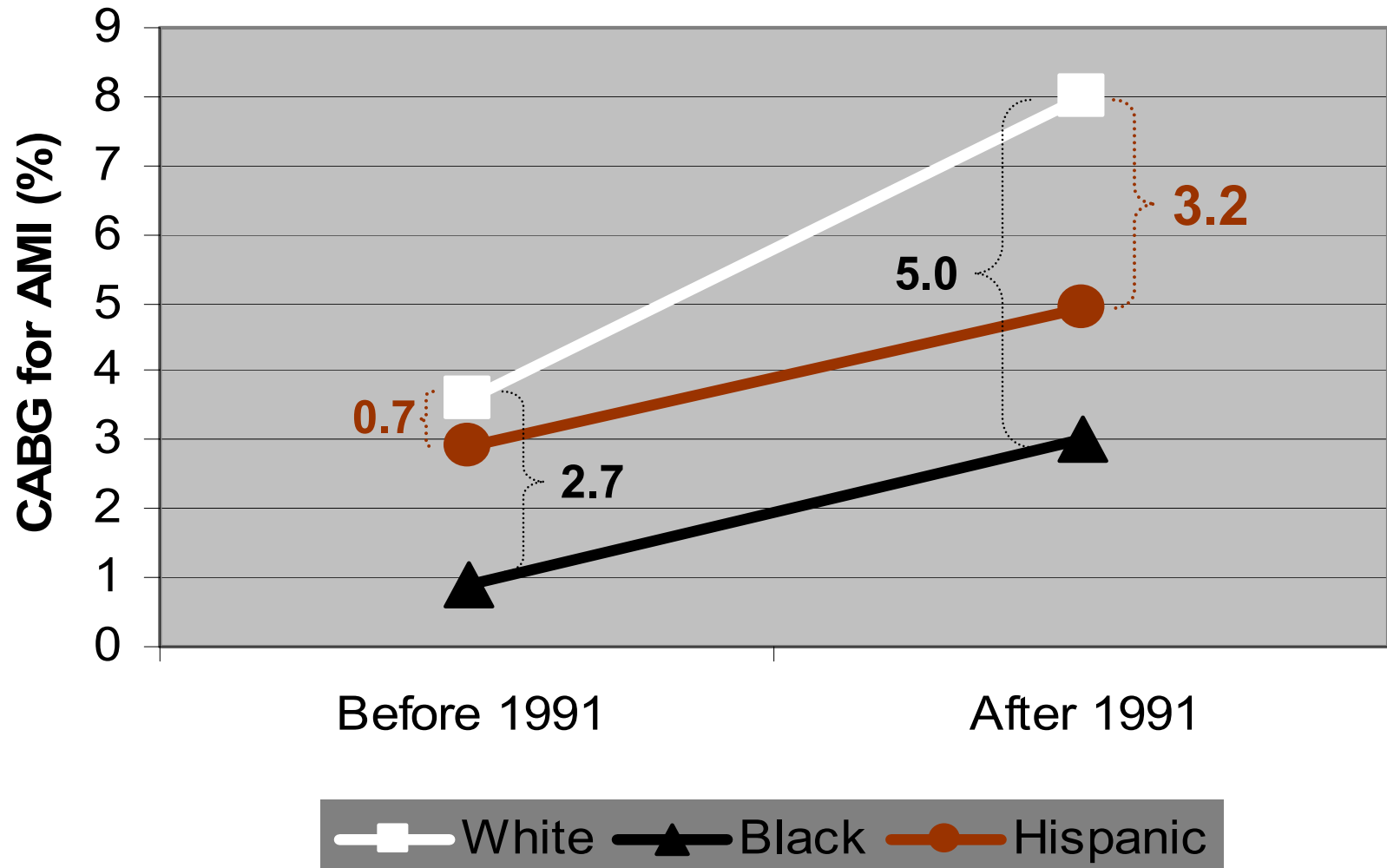
Evidence for Impact of PIPs on Racial Disparities

Systematic review of MEDLINE®

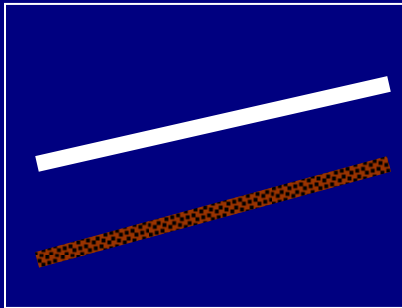
- 536 “hits” → 1 empirical study
- Unintended consequences of coronary bypass graft (CABG) report cards
- 1991 New York publicly reported risk-adjusted CABG mortality rates
- Compared CABG rates
 - Hispanics and African Americans vs Whites
 - Before and after ‘report card’ instituted
 - NY versus 12 comparison states

1991 New York “CABG Report Cards”

Werner, Circulation 2005



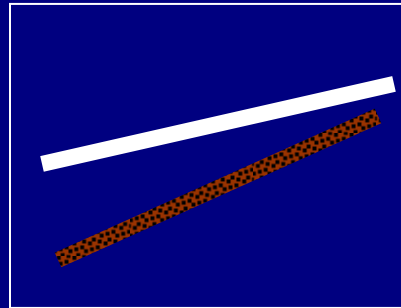
NEUTRAL



- **Improves documentation**

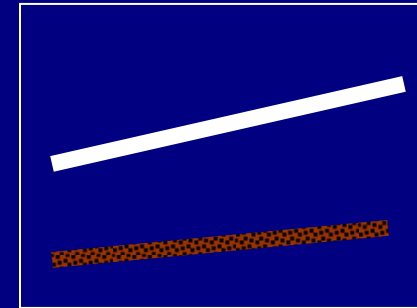
? One-size fits-all

NARROWING



- ? Identifies minority sub-groups in need of more tailored programs

WIDENING



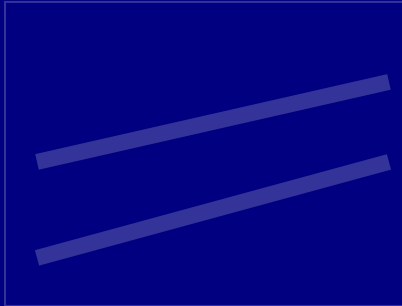
- **Induces cherry-picking**

• **Richer get richer / ? widen resource gaps**

Leader Perspectives

Leader Perspectives

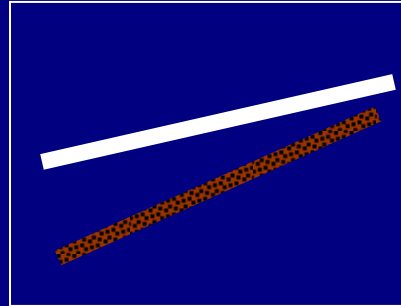
NEUTRAL



- Improves documentation

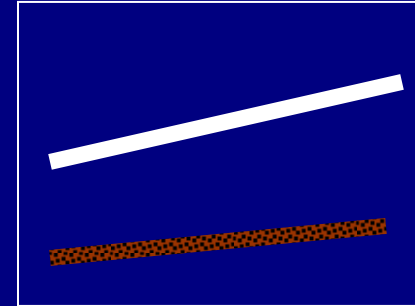
? One-size fits-all

NARROWING



? Identifies minority sub-groups in need of more tailored programs

WIDENING



? Induces cherry-picking

? Richer get richer / ? widen resource gaps

Leader Perspectives

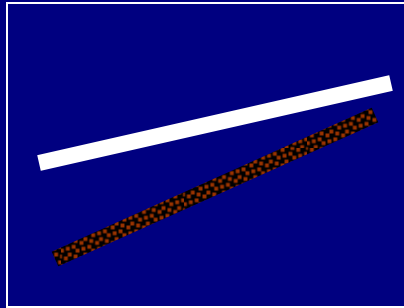
Leaders from:

5 Nationally prominent PIPs

4 State Medicaid PIPs

6 Commercial health plan PIPs

15



NARROW DISPARITIES

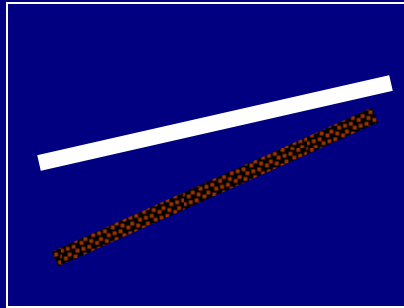
Does/will your PIP:

- Measure race/ethnicity
- Identify sub-groups in need of more tailored programs

Leaders
Responding
"YES"

8 / 15

4 / 15



WIDEN DISPARITIES

Does/will your PIP:

- Induce “cherry-picking”
- Widen resource gaps / allow the “rich to get richer” while the “poor get poorer”

Leaders
Responding
“NO”

6 / 15 *

6 / 15 *

*mainly State Medicaid PIPs

Summary

1. Literature:

- PIPs may not improve quality
- Quality improvement does not necessarily narrow disparities
- PIPs may widen racial/ethnic disparities

2. Programs as currently designed:

- Do not necessarily have the needs of racial & ethnic groups or disparities in mind
- Have features that may contribute to widening disparities

Recommendations

Recommendations

Context: **#1 Understand the patient/provider mix**

- Fee-for-service
- Commercial
- Capitation
- Un/Underinsured

Payors: **#2 Measure race and ethnicity**

- Federal government
- Commercial health plans
- State government
- Private stakeholder coalitions

Payees: **#3 Decide which to target: "individual" or "system"**

- Individual doctors
- Practices/groups
- Hospitals

Incentivized Measures: **#4 Make stratified comparisons**

- Clinical access
- Patient satisfaction
- Use of formulary
- Administrative efficiency

#5 Explore "disparity" measures

Incentive Triggers: **#6 Consider risk adjustment**

- Achievement
- Tournament

#7 Reward improvement

<http://solvingdisparities.org>

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