

PROCEED WITH CAUTION

performance incentive programs and racial disparities

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Andrew Davis MD

Lawrence Casalino MD PhD

University of Chicago

*Pay-for-Performance Summit
Beverly Hilton – February 15, 2007*

Outline

1. Background / Evidence
2. Impact on racial disparities
3. Leader perspectives on current programs
4. Recommendations

Performance incentive programs

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

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- “Public reporting” → reputation



Not all programs are created equal

*Bokour, MCRR 2006; Rosenthal, Health Affairs 2004;
The Leapfrog Compendium; Centers for Medicare & Medicaid Services*

Not all programs are created equal

Context:

Payors:

Payees:

Incentivized Measures:

Incentive Triggers:

Not all programs are created equal

Context:

- Fee-for-service
- Capitation

Payors:

Payees:

Incentivized Measures:

Incentive Triggers:

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Context:

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

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Payees:

Incentivized Measures:

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Context:

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Payors:

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Payees:

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 - Use of formulary
 - Administrative efficiency
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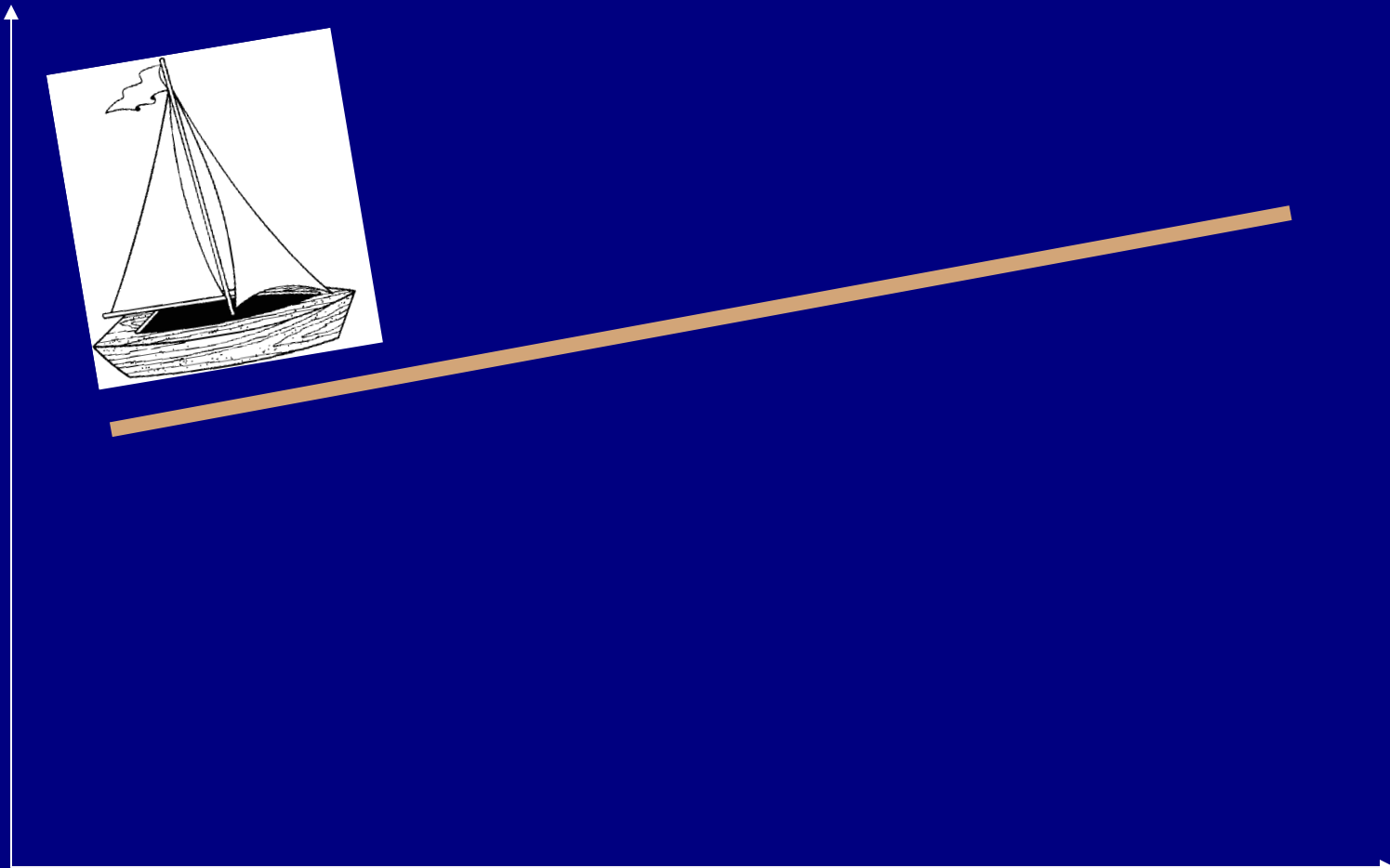
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Desired effect of programs

Quality



Time

Evidence for desired effect

Significant

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

6

Mixed

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

5

None

- Grady 1997
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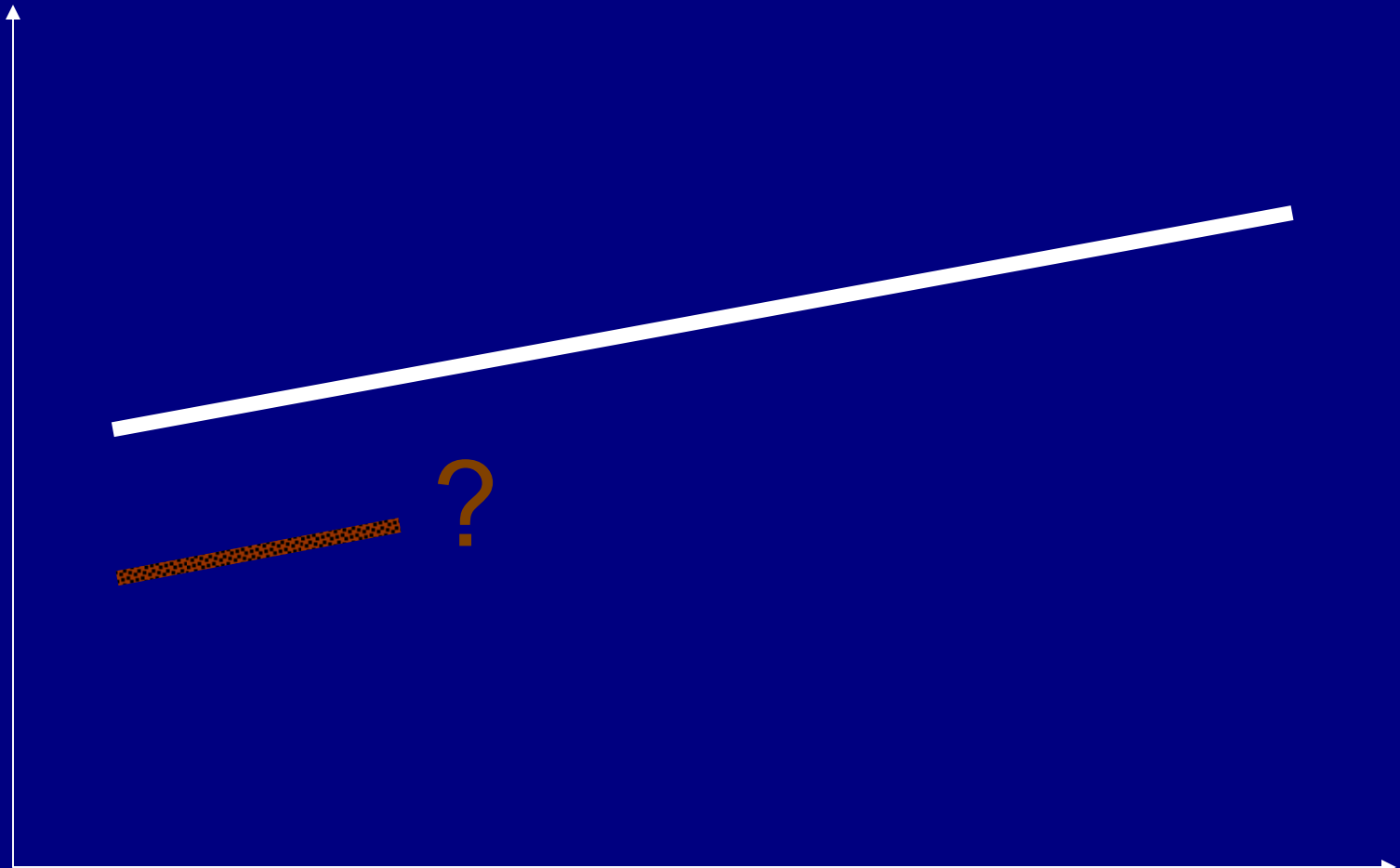
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*Randomized design

*Dudley, AHRQ Technical Paper 2004;
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Unknown effect on disparities

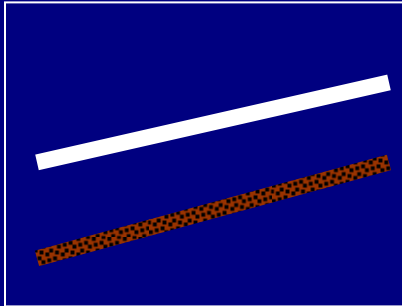
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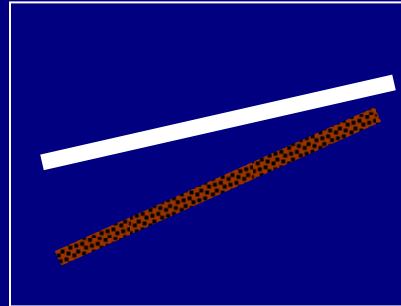
Time

Quality improvement literature

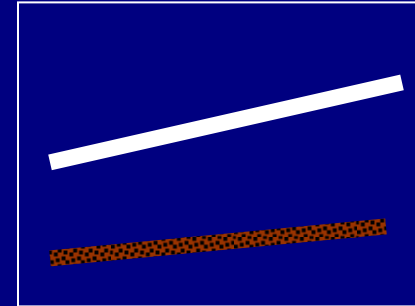
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NARROWING

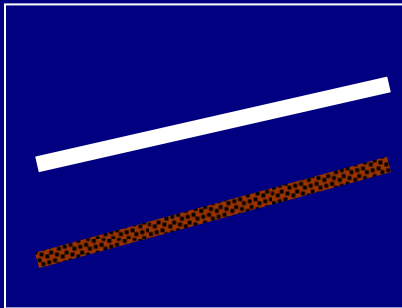


WIDENING

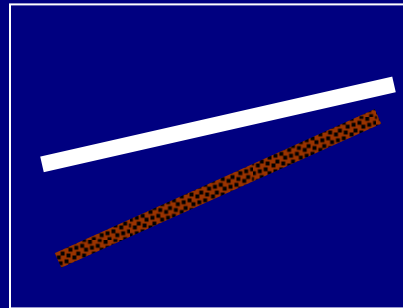


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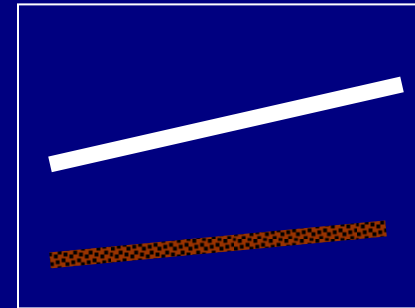
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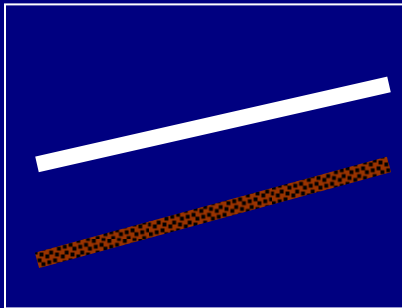
One-size-fits-all

- ESRD patients
- ~40% ↑ in adequate hemodialysis dosing
- White-black disparity persisted

Seghal, JAMA 2003

Quality improvement literature

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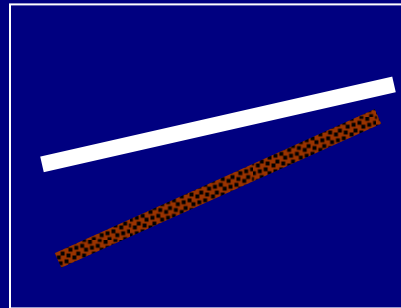


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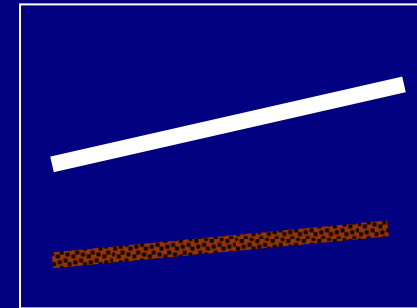


Culturally sensitive

- Depression
- ~20% ↑ in depression care
- White-minority disparity eliminated

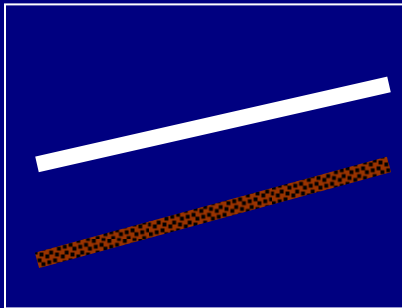
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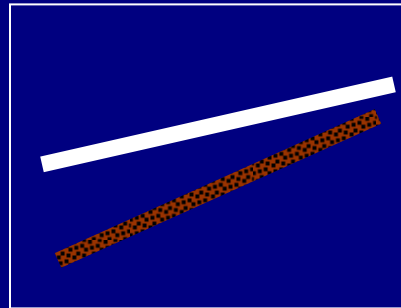


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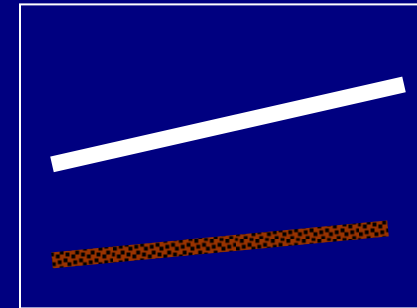


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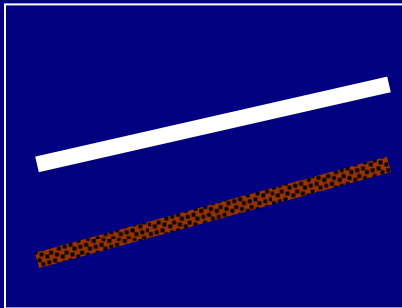


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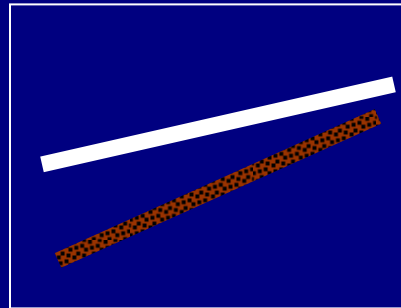


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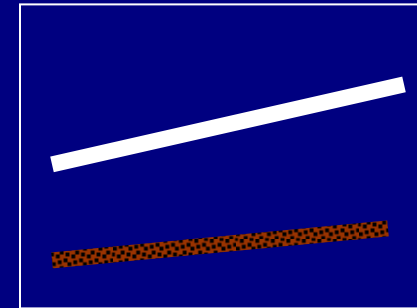


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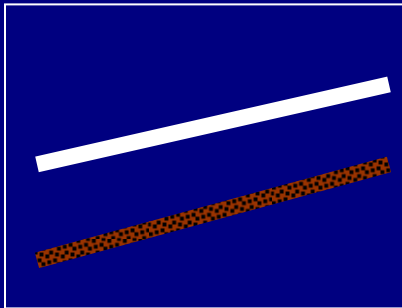


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- Induces cherry-picking
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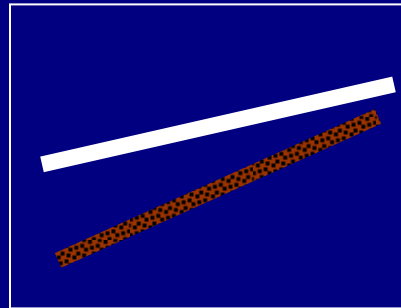


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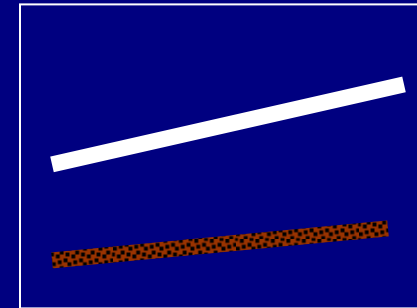


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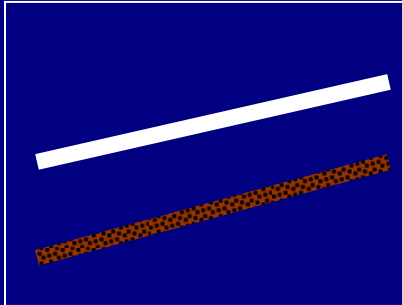


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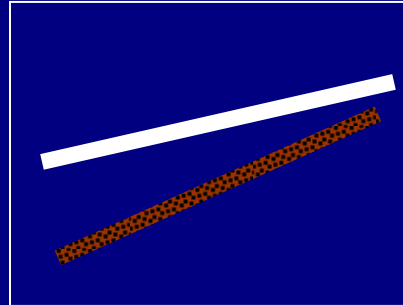
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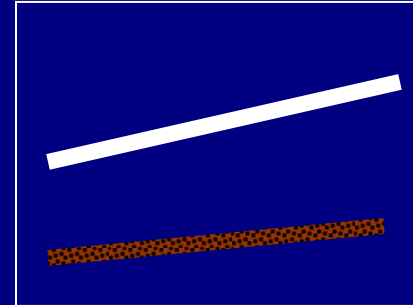
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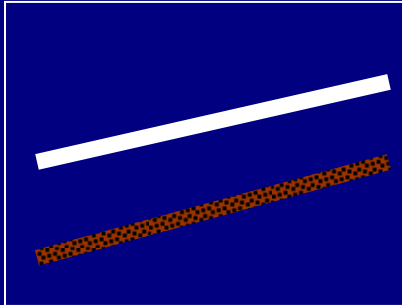
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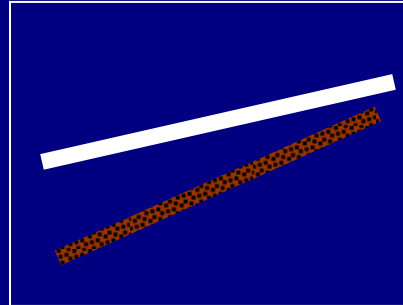
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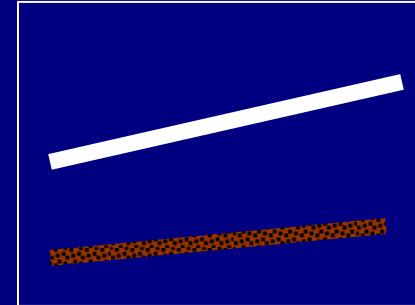
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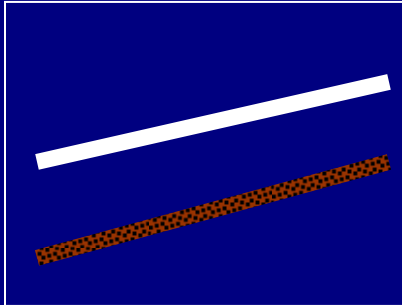
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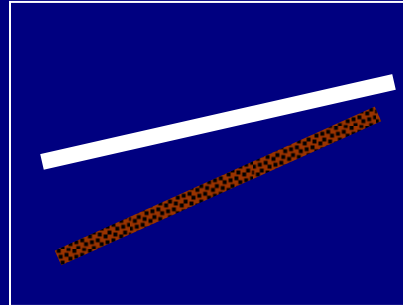
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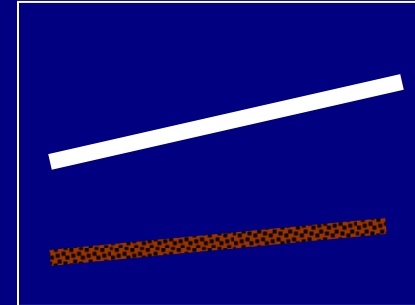
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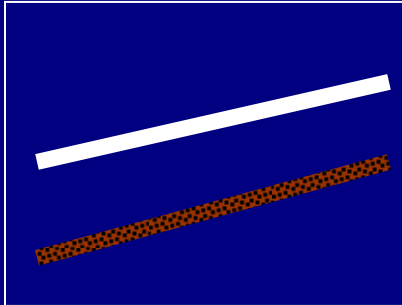
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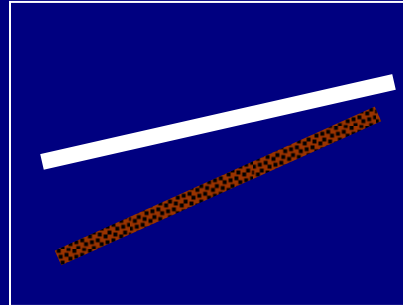
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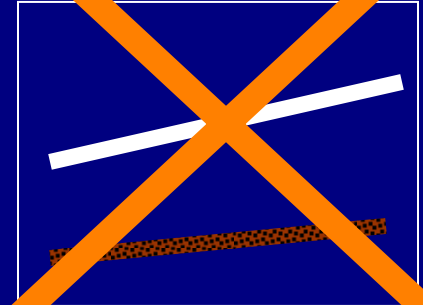
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NARROWING



WIDENING



Unintended consequences

Evidence of desired effect

Significant

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

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2 improved documentation only

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1 rewarded those already doing well

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Impact of incentive programs on racial disparities

Systematic review of MEDLINE®

- 536 “hits” → 1 empirical study

Systematic review of MEDLINE®

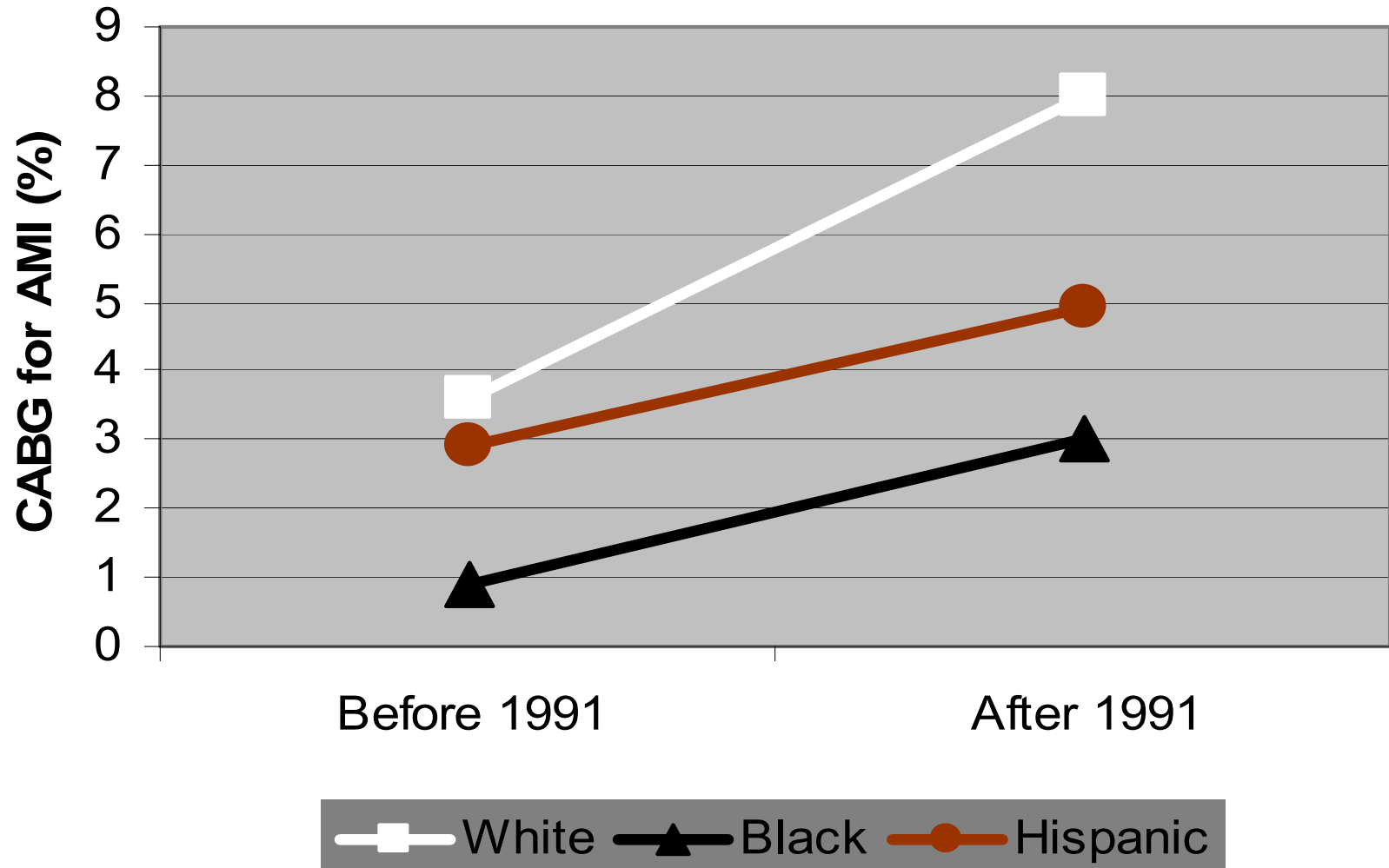
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Systematic review of MEDLINE®

- 536 “hits” → 1 empirical study
- Racial profiling: 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

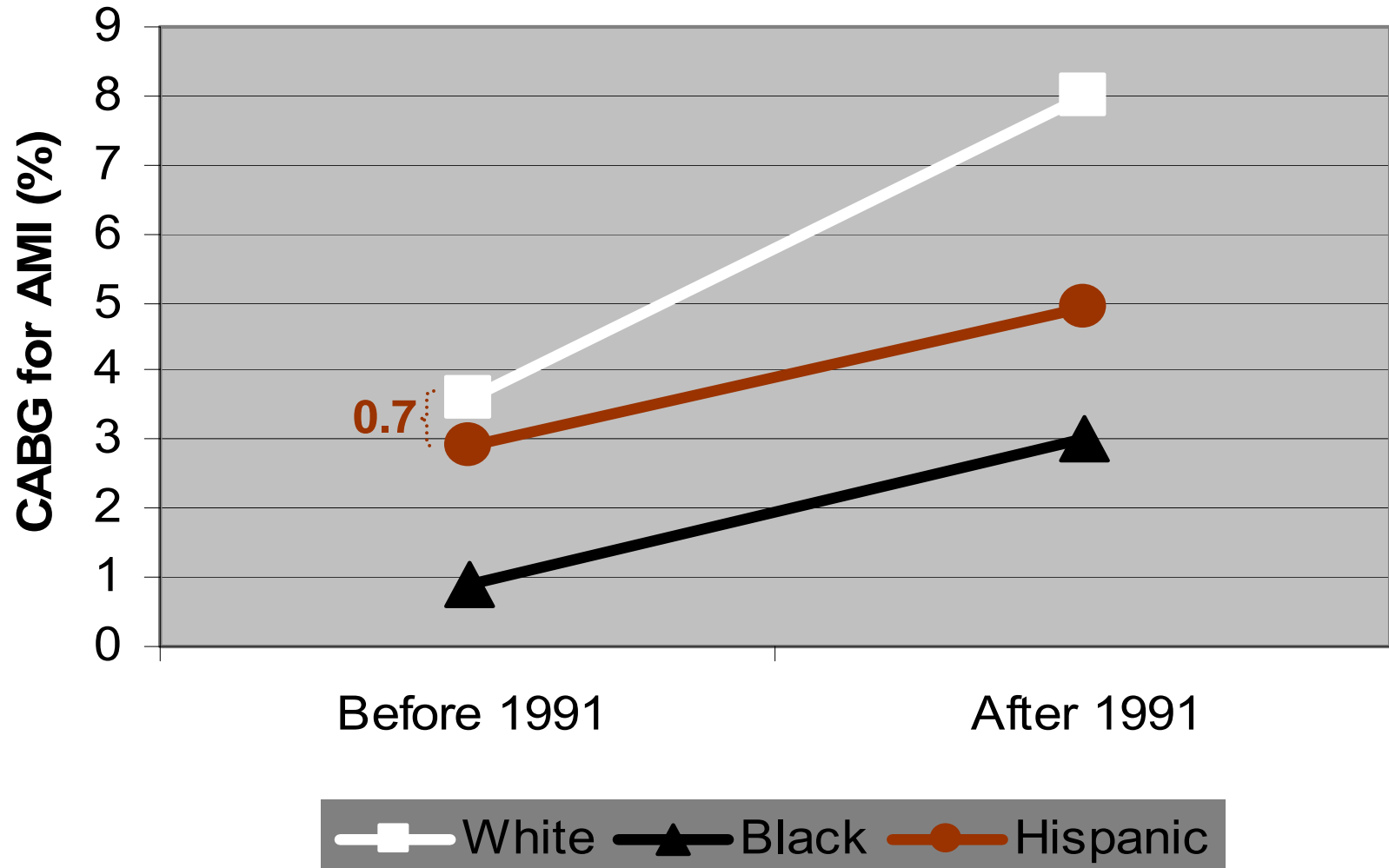
1991 New York “CABG Report Cards”

Werner, Circulation 2005



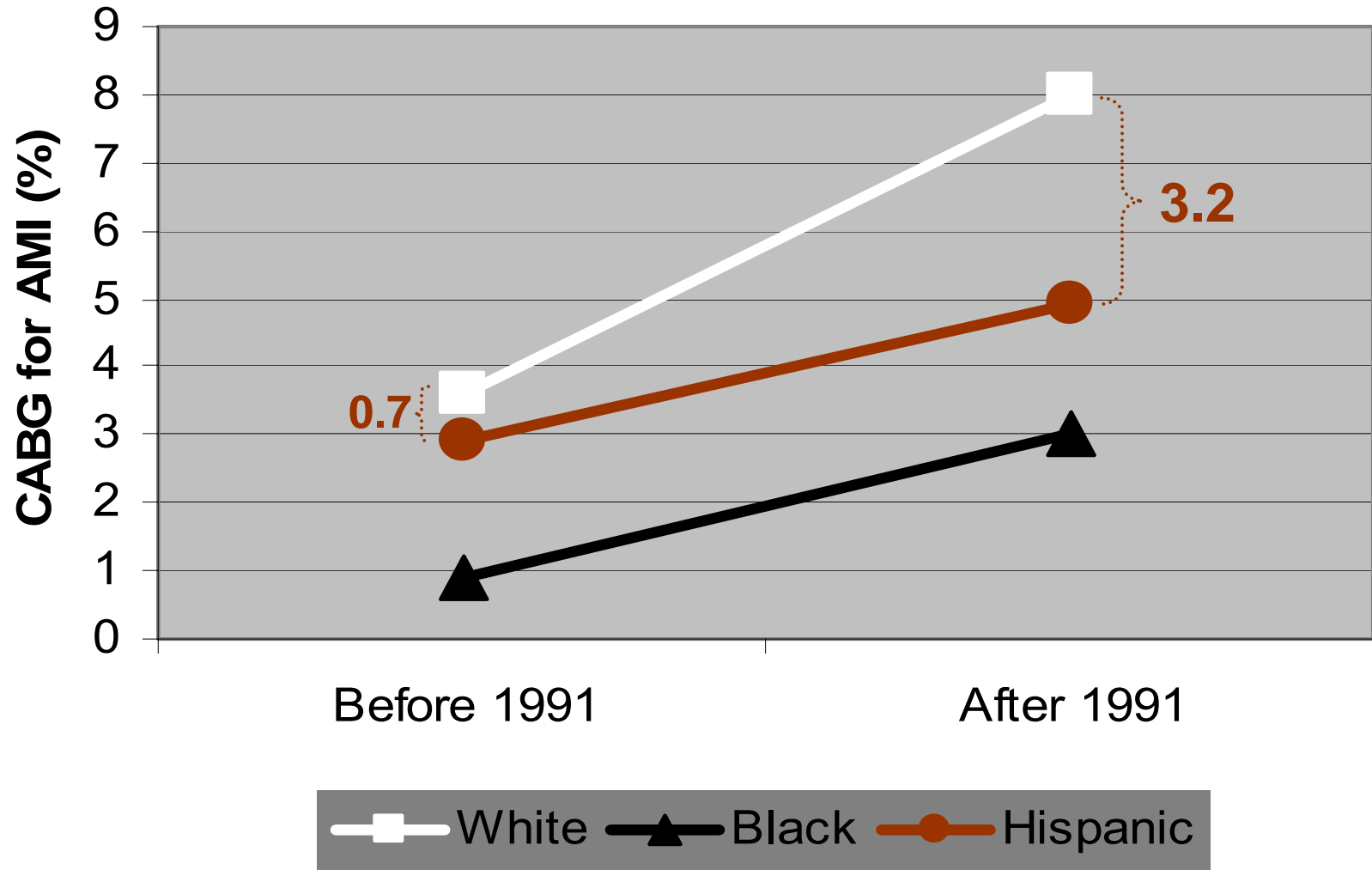
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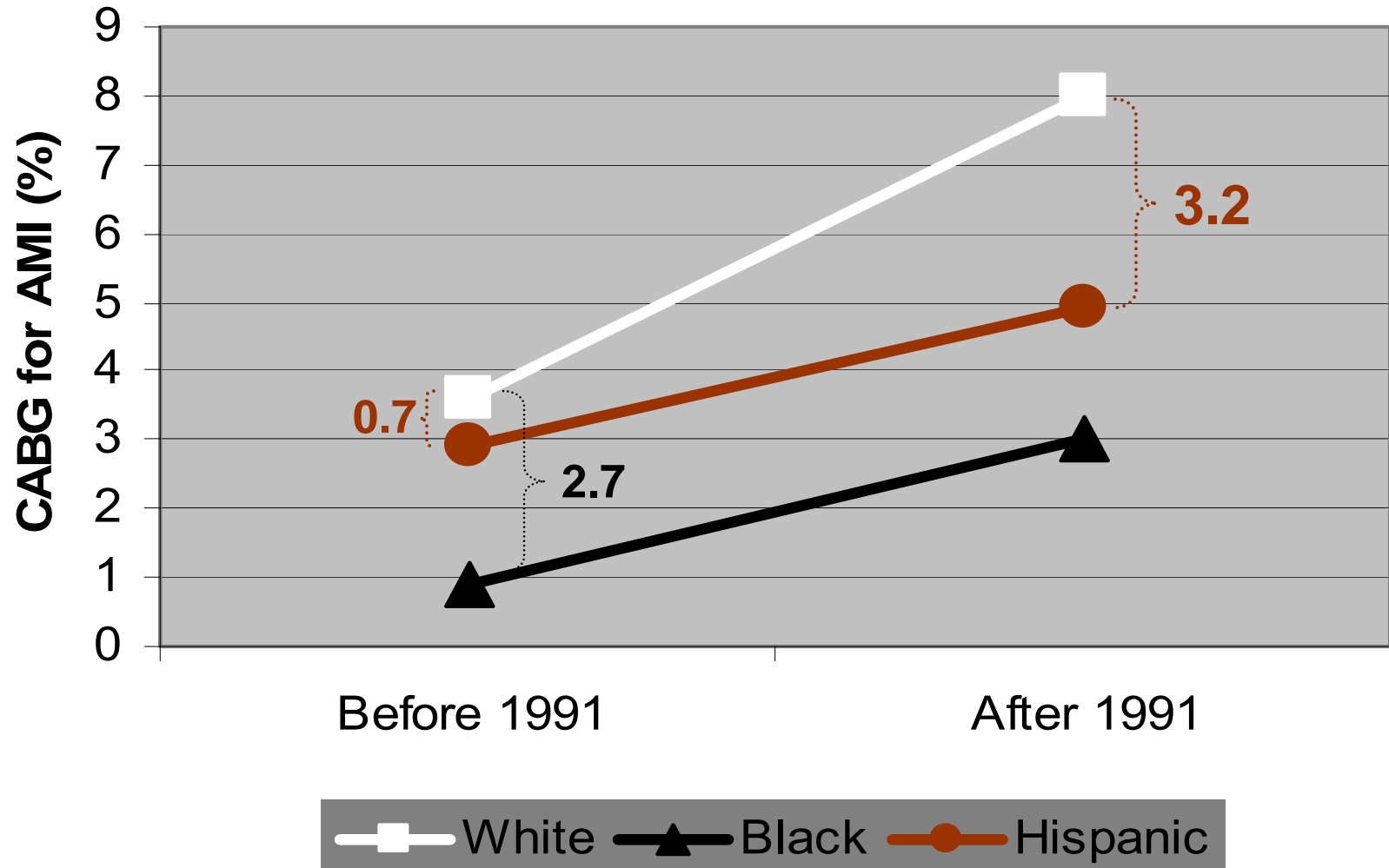
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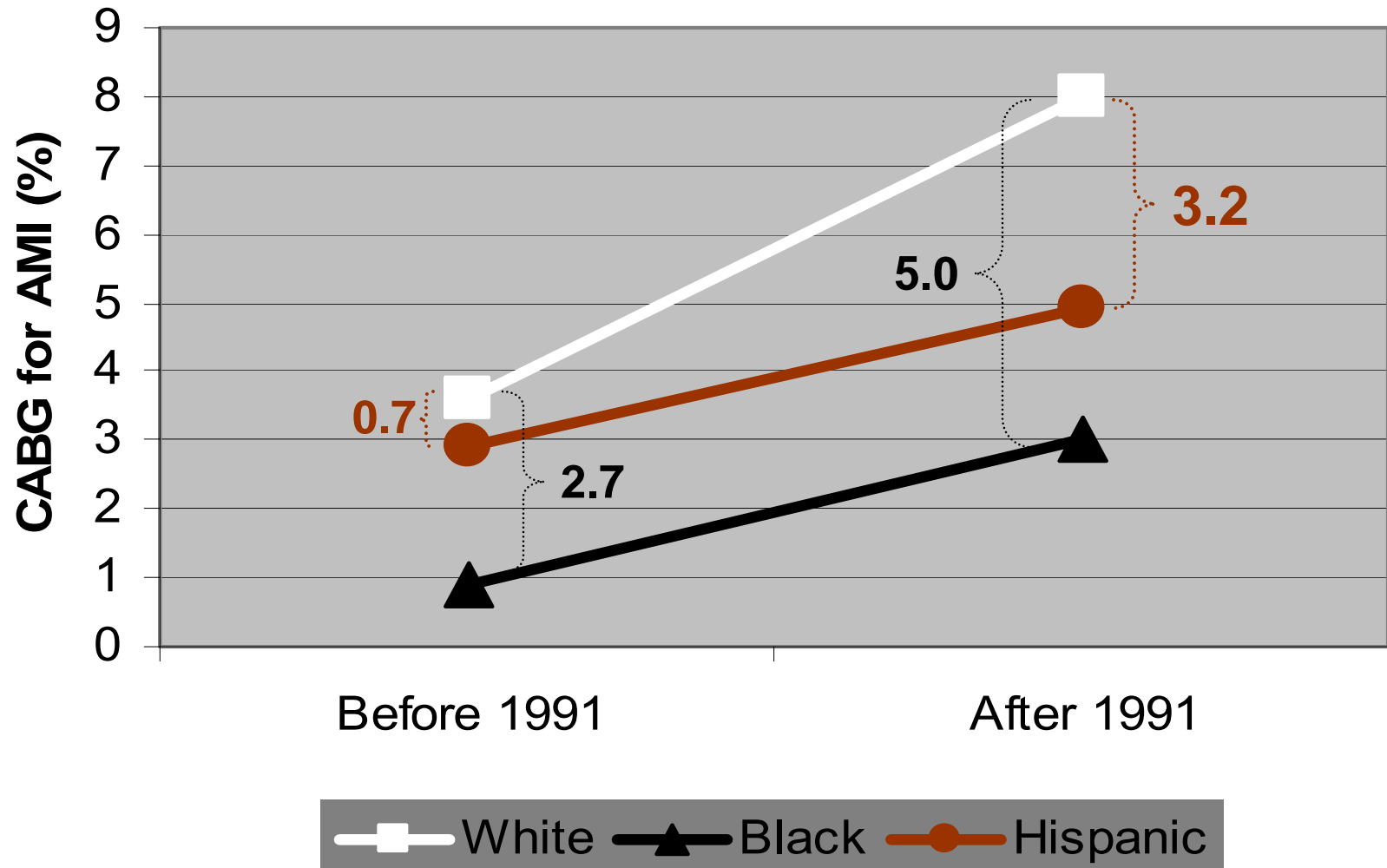
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Summary

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Summary

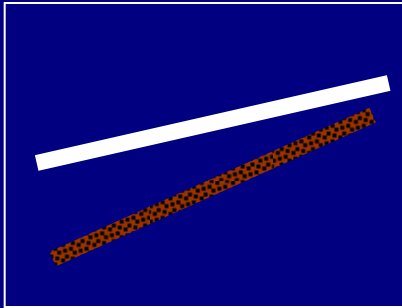
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Leader Perspectives

Leader Perspectives

NARROWING

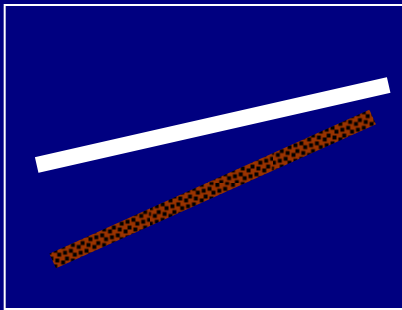


? Measuring race and/or ethnicity

? Identifies minority sub-groups

Leader Perspectives

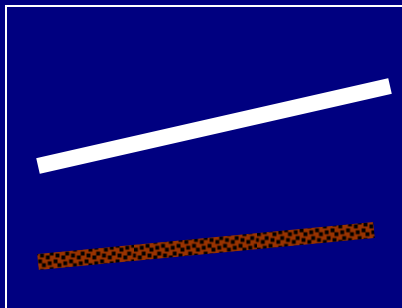
NARROWING



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WIDENING



? Induces cherry-picking

? Widen resource gaps / “rich get richer”

Leader Perspectives

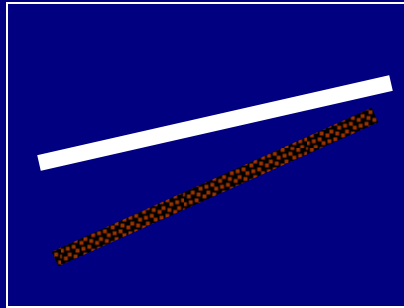
Leaders from:

5 Nationally prominent PIPs

4 State Medicaid PIPs

6 Commercial health plan PIPs

15

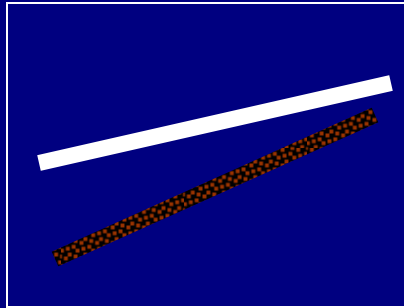


NARROW DISPARITIES

Leaders
Responding
"YES"

Does/will your PIP:

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



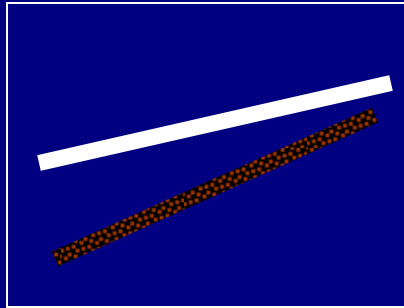
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Leaders
Responding
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8 / 15



NARROW DISPARITIES

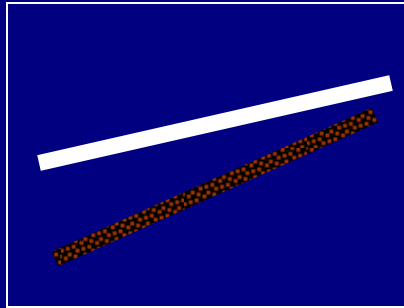
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8 / 15

4 / 15

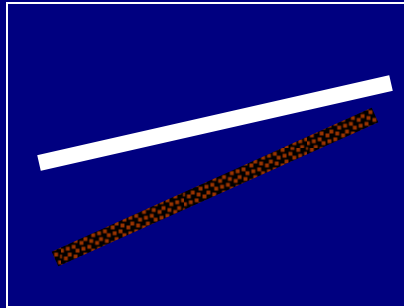


WIDEN DISPARITIES

Leaders
Responding
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Does/will your PIP:

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



WIDEN DISPARITIES

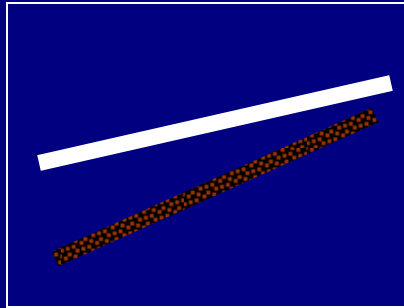
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Leaders
Responding
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6 / 15 *

*mainly State Medicaid PIPs



WIDEN DISPARITIES

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Leaders
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6 / 15 *

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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:

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 have disparities in mind

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 have disparities in mind
- Have features that may widen disparities

Recommendations

Recommendations

- Context:** • Fee-for-service • Commercial
• Capitation • Un/Underinsured
- Payors:** • Federal government • Commercial health plans
• State government • 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

Recommendations

Context: • Fee-for-service • Commercial
• Capitation • Un/Underinsured
#1 Understand the patient/provider mix

Payors: • Federal government • Commercial health plans
• State government • 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

Recommendations

Context: • Fee-for-service • Commercial
• Capitation • Un/Underinsured
#1 Understand the patient/provider mix

Payors: • Federal government • Commercial health plans
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#2 Measure race and/or ethnicity

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

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

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#5 Explore "disparity" measures

- Use of formulary
- Administrative efficiency

Incentive Triggers:

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

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- Administrative efficiency

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

- Tournament
- Improvement

#7 Reward improvement

<http://solvingdisparities.org>

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