

Measurement Implications of Performance-Based Payment Models

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Outline

- Purposes of performance measurement
- Performance measure needs created by the payment reform models?
- Near-term priorities for measure development
- Implementation challenges
- Conclusions

Reporting of Performance Results: Many Related Purposes

- Set payment incentives
- Counter the adverse effects of payment incentives
- Identify opportunities to improve
- Monitor progress toward improvement goals
- Inform consumers/purchasers to enable selection of providers
- Stimulate competition among providers
- Stimulate innovation
- Promote the “values” of the health system

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Goals of Payment Reform Models



Mechanics of the Payment Reform Models

- Payment mechanisms
 - Base payment
 - Fee schedule for defined services
 - Bonuses
 - Fees for new or revised services
 - Non-payment
- Adjustment options
 - Actuarial
 - Historical costs or resource use
 - Predicted risk of resource use
 - Performance-based incentives
 - Quality goals
 - Efficiency goals

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- The diagram consists of two main columns of text. The left column, under 'Payment mechanisms', lists five items: 'Base payment', 'Fee schedule for defined services', 'Bonuses', 'Fees for new or revised services', and 'Non-payment'. The right column, under 'Adjustment options', lists two items: 'Actuarial' and 'Performance-based incentives'. 'Actuarial' has two sub-bullets: 'Historical costs or resource use' and 'Predicted risk of resource use'. 'Performance-based incentives' has two sub-bullets: 'Quality goals' and 'Cost goals'. A central point from which arrows originate is located between the two columns. Two white arrows point from this central point to 'Base payment' and 'Fee schedule for defined services'. Three yellow arrows point from this central point to 'Bonuses', 'Fees for new or revised services', and 'Non-payment'.

Use of Performance Results in Payment Reform Models

- Establish whether a provider will receive an incentive payment
- Adjust the amount of an incentive payment
- Establish whether a provider is subject to non-payment for some services
- Detect unintended adverse consequences of cost containment incentives
- Motivate and support quality improvement

	Emphasis of Performance Measurement			
Model	Population	Episode of care	Diverse organizational types	Newly-specified services
Model 1. Global Payment	XX	X	XX	
Model 2. ACO Shared Savings	XX	X	XX	
Model 3. Medical Home	XX	X	X	X

	Emphasis of Performance Measurement			
Model	Population	Episode of care	Diverse organizational types	Newly-specified services
Model 4. Bundled Payment	X	XX	XX	X
Model 5. Hospital-Physician Gainsharing	X	X	X	
Model 6. Payment for Coordination	X	X	X	XX

	Emphasis of Performance Measurement			
Model	Population	Episode of care	Diverse organizational types	Newly-specified services
Model 7. Hospital P4P		X		
Model 8. Payment Adjustment for Readmissions		X	X	
Model 9. Payment Adjustment for HACs		X		

	Emphasis of Performance Measurement			
Model	Population	Episode of care	Diverse organizational types	Newly-specified services
Model 10. Physician P4P		X		
Model 11. Payment for Shared Decision-making		X		XX

Population and Episode Models Will Incorporate Measurement Strategies of Other Models

	Hosp-MD Gainshare	Pay for coordination	Hosp P4P	Re-admits	Hospital acquired cond'tns	Phys P4P	Shared decision making
Global Payment	X	X	?	X	?	X	?
ACO-Shared Savings	?	?	?	?	?	?	?
Medical Home		X				X	?

Results: Measures in Current Payment Reform Programs/Proposals

- Substantial variation in types of performance measures used in current payment reform programs
- Many available performance measures are not yet used in current payment incentive programs
- Important quality and efficiency goals are not well represented by available measures

Summary of New Measure Types Needed to Support Payment Reform Models

- Health outcomes
 - Functional status & safety outcomes
- Care coordination
 - Transitions
- Patient and caregiver engagement with care
 - Medical homes, shared decision-making
- Structure
 - ACOs, decision aids
- Efficiency
 - Hosp and MD P4P

Cost-containing Models Need Measures to Detect Unintended Adverse Consequences

- Underuse of appropriate and necessary care
- Access to care
- Safety outcomes
- Clinical and socio-demographic risk profiles

Near Term Opportunities for Measure Development

Model 1. Global Payment

Model 2. Shared Savings for Accountable Care Organizations

Model 3. Medical Homes

Care coordination	1, 2, 3
Functional status (change over time)	1, 2, 3
Quality of life (change over time)	1, 2, 3
Structure (care management and use of HIT)	1, 2, 3
Composite measures	1, 2, 3

Near Term Opportunities for Measure Development

Model 4. Bundled Payments for Episodes of Care

Clinical care process (episode-specific)

Patient and caregiver engagement

Functional status (episode-specific change)

Quality of life (change over time)

Structure (care management and use of HIT)

Composite measures

Near Term Opportunities for Measure Development

Model 5. Hospital-Physician Gainsharing

Safety outcomes

Access to care (ambulatory care sensitive conditions)

Near Term Opportunities for Measure Development

Model 6. Payment for Care Coordination

Clinical care process (transitions)

Patient and caregiver engagement

Structure (care management and use of HIT)

Composite measures

Near Term Opportunities for Measure Development

Model 7. Hospital Pay-for-Performance (P4P)

Model 8. Payment Adjustment for Readmissions

Model 9. Payment Adjustment for Hospital-Acquired Conditions

Structure (use of Health IT)	7, 9
Care coordination	8
Access to care	8
Safety outcomes	9
Composite measures	7, 9
Efficiency measures	7

Near Term Opportunities for Measure Development

Model 10. Physician Pay-for-Performance (P4P)

Structure (use of Health IT)
Clinical care process for specialty care
Safety practices
Safety outcomes
Composite measures
Efficiency measures

Near Term Opportunities for Measure Development

Model 11. Payment for Shared Decision-Making

Access to decision aids

Patient and caregiver engagement

Patient knowledge of treatment alternatives

Pertinent Implementation Challenges of Payment Reform Models

	Attribution	Data Sources	Sample Size	Aggregation	Exclusion Criteria	Risk Adjustment	Benchmarks
Global Payment	X	X		X	X	X	
ACO/Share Savings	X	X		X	X	X	X
Medical Homes	X	X			X	X	
Bundled Payment	X	X	X	X	X		
Gain-sharing		X	X				
Care Coordination	X	X					X
Hospital P4P	X		X			X	
Readmissions	X		X		X	X	
HAC's		X	X		X		X
Physician P4P	X		X			X	
SDM	X	X					X

Conclusion

- Most payment reform *programs* will blend measurement and payment strategies of these 11 models
- Near-term measure development should emphasize population and episode denominators
- Measures of the unintended consequences of cost-containment will be important to credibility

Conclusion

- Blended measurement and reporting strategies for complex organizational forms
 - composites, dashboards
- Measures of structure are needed for some payment reform models
 - new organizational types, new services
- The national health data infrastructure must be improved to support the next generation of performance measures