

Linking Physician Payments to Quality Care

Improving the care patients receive has and continues to be the core of the internist's professional responsibilities. Internists have long strived to enhance the quality of care provided to patients through the use of actionable evidence-based guidelines and the coordination of care of complex chronic diseases.

Unfortunately, the current payment system fails to recognize these efforts. The American College of Physicians (ACP) views pay-for-performance (P4P) programs that focus on quality as a tremendous opportunity to align incentives in a way that rewards internists for effective care. However, ensuring that a P4P program is designed the right way is a challenging task.

As new systems of payment linked to performance are being explored, ACP must ensure that the right measures are used; that data collection is accurate and reasonable; that appropriate and adequate financial incentives are provided; that quality—not just cost reduction—is always the overriding measure of success; and that savings realized by improvements in care are proportionally shared with those responsible for providing the care, which results in the savings.

Medicare expenditures continue to increase rapidly but the evidence suggests that more spending doesn't mean better quality. Studies in the *Journal of Family Practice* and *Health Services Research* have shown that areas with lower per capita costs often do better on quality indicators. Major improvements in quality and efficiency of care are not likely as long as Medicare continues to undervalue the services of primary care physicians and reward physicians for doing more, rather than doing better.

A Medicare pay-for-performance (P4P) program potentially could help address some of the imbalances by rewarding physicians for achieving measurable quality improvement. But grafting P4P onto a system that rewards volume and acute care—over quality, prevention and coordination of care—is not likely to be successful. P4P could make things worse if it creates more practice hassles and expenses for primary care physicians without substantially increased reimbursement.

Performance measures will not lead to quality improvement if physicians in practice lack the ability to incorporate proven quality improvement measures into their practices. Performance-based rewards need to be sufficient to support the practice's investment in health information technology and other quality improvements, be non-punitive, and be structured to provide higher payments commensurate with effort, so that those physicians who report on multiple measures for chronic diseases are rewarded more than physicians who report on only a few simple measures.

If done right, pay-for-performance can help assure that a well-trained internist provides the best value (i.e., quality and cost) in the health care system.