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Medical “Pay for Performance” Can Improve Your Experience at the Doctor’s Office- But Not Always

A team of researchers from California and Massachusetts has found evidence that some kinds of financial incentives offered to medical groups for the purpose of improving patient care, in combination with annual public reporting of group performance ratings, may work as intended to produce improvements in patient care experiences. However, other incentives may have a negative overall impact on how patients experience health care.

As the Obama Administration and the US Congress continue to grapple with health care reform, these findings provide timely information about the kinds of things medical groups can do--and can avoid doing—with financial incentives in order to improve the quality of patient health care experiences.

“The House Tri-Committee's bill (HB 3200) includes the establishment of a Center for Quality Improvement to identify, develop, evaluate, disseminate, and implement best practices in the delivery of care. Our study results suggest that the nature of financial incentives can affect the provision of patient-centered care,” said Hector P. Rodriguez, the study’s lead author. “Therefore, quality improvement and reimbursement reform efforts should integrate patient-reported experiences of care as a central metric for evaluating reform effects.” Another of the study’s authors, Dana Safran of Blue Cross and Blue Shield, adds that “paying attention to the full-spectrum of performance issues is important so that patient-centered care is not sacrificed in a press for efficiency and/or ticking through clinical process requirements.”

The study, published online by the *Journal of General Internal Medicine*, was led by Hector P. Rodriguez of the Department of Health Services, School of Public Health, University of California, Los Angeles. Ted von Glahn, MS, of the Pacific Business Group on Health, San Francisco, California, was the Principal Investigator for the study, which is the first to look at the impact of financial incentives and public reporting on patient care experiences over time in the United States. The research was funded by the Commonwealth Fund.

In the study, Dr. Rodriguez and his team analyzed how medical group performance ratings changed over time and found that performance ratings in specific measures representing the three broad categories of physician communication, care coordination and office-staff interactions,

significantly improved during the time period after the start of a statewide pay-for-performance program in 2004.

Incentives for addressing the quality of patient-clinician interaction and the overall experience of patient care tended to result in improved performance in those areas, especially when the additional funds are used broadly by medical groups to positively reinforce a patient-centered work culture. However, within the groups where financial incentives were paid directly to physicians, the greatest improvements were seen within those groups which placed less emphasis on physician productivity and greater emphasis on clinical quality and patient experience. This finding suggests that placing too much emphasis on physician productivity may have a negative impact on the experiences patients have when they visit their primary care doctor.

Rodriguez and his team looked at information collected from 124,021 patients of 1444 primary care physicians working in 25 California medical groups between 2003 and 2006, and conducted interviews with group medical directors to determine how financial incentives are used within each group. All 25 of the medical groups, which represent six insurers, are awarded financial incentives for achievements in the broad categories of clinical care processes, patient care experiences and office-based information systems, in accordance with the Integrated Health Association's (IHA) statewide pay-for-performance program. The IHA program is an initiative launched in 2004 with the goal of improving health care quality in the state of California.

The medical groups are free to use the additional funds in varying ways, with some groups paying incentives directly to physicians, and others using the incentives more broadly with a focus on organizational priorities. The groups also participate in a public reporting program in which the ratings results in two of the three broad categories are released annually to the public in the form of a "health care report card" which compares the performance of the medical groups and insurers to one another.

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