P4P—Pain for Performance?

We received our practice report card recently and were understandably disappointed—“average,” according to our local managed care organization. Were the data correct? Weren’t we at least equal to our peers? What could we do to improve? And, by the way, what happened to our “hold-back” dollars?

If you are like me, pay for performance (P4P) has gotten your attention. Though the idea behind P4P may be well intentioned, the principles seem muddy and the details poorly validated.

As for the principles, I don’t doubt that economic incentives under the right circumstances can change behaviors. But with cost savings as the primary motivator behind many P4P plans, and inadequate attention given to support performance improvement, I remain skeptical.

When we determine winners and losers in many plans, including the Medicare P4P proposal—instead of measuring performance against a fixed standard—I question the comparability of patient populations, particularly at a physician level. Moreover, reliance on administrative data, the relative infrequency of patient-oriented outcomes, and the abundance of problems managed lead to the “garbage in, garbage out” syndrome. It is difficult to demonstrate rigorous, statistically valid differences among practice groups, let alone physicians, when assessing most outcomes.

Diversity of measurement metrics is a problem. While a few diseases such as diabetes have widely accepted outcome measures, many do not. In taking care of patients from multiple plans, how do we reconcile different yardsticks of performance? Similarly, the translation of measures created for the plan level to the individual physician is troubling. Developing evidence-based, patient-oriented accountability measures is also challenging. Critical evidence is often lacking on the natural history of common diseases and important outcome indicators.

What are the alternatives? Rather than spending resources on a costly comparison among practices, why not put these dollars toward real performance improvement efforts? Instead of placing emphasis on winners and losers, let’s put these dollars into the basic EMR infrastructure required to capture data and provide basic information. Let’s take a quality improvement approach not a punitive one.

Instead of pay-for-performance have we created pain for performance?

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