

NEWS RELEASE

FOR IMMEDIATE RELEASE
November 19, 2007

Contact: Lorrie Holmgren
612/599-9499
Scott Smith
612/362-3726

PAY-FOR-PERFORMANCE PROGRAMS FALL SHORT

MINNEAPOLIS—The Minnesota Medical Association (MMA), representing about 11,000 physicians, has released the first report ever to examine and evaluate Minnesota's pay-for-performance programs.

Paying physicians for achieving specific clinical outcomes or following certain processes is a growing trend. It's meant to improve quality of care. But how well does it work?

To find out, the MMA looked closely at the various health plans and government programs and evaluated their pay-for-performance programs on how well they meet the MMA's criteria for effective incentives programs—driving improvements in quality care, strengthening the physician-patient partnership, including physicians across medical specialties and using valid measures.

“Pay-for-performance programs in Minnesota may be meeting some of the MMA's criteria, but there is significant room for improvement in how these programs are implemented and in how they can be effective,” said James J. Dehen Jr., M.D., president of the MMA.

-MORE-

One problem is the variety of different pay-for-performance programs. The report found that Minnesota has nine programs that include at least 117 measures for 63 different disease states.

By asking for slightly different types of data, these nine programs create confusion and significant administrative work. For instance, HealthPartners judges physicians based on whether women 50 to 80 years old had a mammogram during the past year, whereas Medica judges them based on whether women 40 to 69 years old had a mammogram during the last two years.

“Such seemingly small differences among programs actually create enormous challenges for practices resulting in unnecessary administrative burdens,” Dehen said. “And they add to health care costs.”

Another shortcoming of Minnesota’s pay-for-performance programs is that they rarely adjust for differences in the severity and complexity of the patients’ condition. This can result in an apples-to-oranges comparison that doesn’t really capture differences in the care provided.

“We need to make sure that these programs don’t financially penalize physicians who work with patients who have complex illnesses or difficult circumstances,” Dehen said.

The MMA urges Minnesota’s health plans, employers and others that use pay-for-performance programs to take the following steps:

- Adopt a common measurement set, preferably one developed by MN

-MORE-

Community Measurement, and a streamlined data collection process in order to reduce the administrative burden; (This would help reduce health care costs and give physicians more time to spend with their patients.)

- Provide financial incentives for care coordination, especially for patients with chronic illnesses;
- Provide financial incentives for implementing health information technology and electronic medical records;
- Eliminate financial penalties for providing care that is in the patient’s best interest; (A physician shouldn’t be penalized for prescribing a brand-name drug rather than a generic if that’s what the patient needs.)
- Ensure that programs don’t penalize physicians who accept patients with complex and difficult conditions.

“Health plans in Minnesota designed pay-for-performance programs to help improve health care quality. We welcome the MMA’s suggestions and believe that by working together we can take quality improvement efforts to the next level,” said Julie Brunner, executive director of the Minnesota Council of Health Plans.

“We look forward to working with the health plans as a first step to improve and streamline pay-for-performance programs,” said Dehen. “We intend to make sure that pay-for-performance programs support high quality care for Minnesotans.”