

HEALTHCARE FINANCE NEWS

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Majority of stakeholders support moving forward quickly with P4P

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By *Diana Manos, Senior Editor* | 04/25/07

(WASHINGTON) A real-time survey taken yesterday at a panel session of the Fourth Annual World Health Care Congress in the District of Columbia revealed that 69 percent of attendees feel the federal government isn't moving fast enough to establish pay for performance.

To the surprise of those leading the session, this opinion was equally shared by both buyers and providers of healthcare with 49 percent of buyers and 51 percent of providers agreeing they'd like to see P4P advance more quickly.

Herb Kuhn, acting deputy administrator of the Centers for Medicare & Medicaid Services, said he is pleased to get the validation that CMS is on the right track and P4P is considered important.

"We are working hard to implement changes," Kuhn said. "We believe that quality and efficiency makes sense and it's an effort long overdue," Kuhn said.

According to Kuhn, CMS is aiming to fundamentally change Medicare from "a passive payer to an active purchaser."

Kuhn took some heated comments from American Medical Association (AMA) President-Elect William Plested, MD, who said P4P shouldn't be based on "dreams, schemes and wishful thinking."

Plested said the medical field has seen "unprecedented success" and progress in caring for patients according to their own ethical values, despite a flawed Medicare payment system that has left them without a raise since 2001. "Instead of making a difficult and reasonable correction to the problem, the federal government is looking for a scapegoat," Plested said.

Plested called P4P an effort to micro-manage physicians and said it publicly humiliates and punishes them financially. P4P should only be pursued "after extensive evaluation of the probable negatives" and should be undertaken with "the greatest caution," Plested said.

John Rother, director of policy and strategy at the American Association of Retired Persons, fully supported P4P. "Is there any debate that quality is suboptimal in the U.S. today?" Rother said. "Under any measure you want to pick, we are a long way from where we need to be."

Quality contributes to efficiency, Rother said. He emphasized the need to begin measuring outcomes and evaluating quality and efficiency under a team of providers for an entire episode of care.

Beginning in July, doctors can voluntarily participate in performance reporting to earn a 1.5 percent incentive from CMS. But the agency is "not stopping there," Kuhn said. Next year CMS plans to look at more robust measures, including the structural information technology systems doctors use to support their work.