

Tennessean

Managed-care company sees benefits of pay-for-performance

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As payments in the nation's health-care system move more toward a pay-for-performance model, one Nashville-based managed-care company is claiming initial success with its pilot programs that pay doctors based on quality of care.

Under HealthSpring Inc.'s pay-for-quality program that involves 27 medical practices, 348 doctors and 25,000 members, a practice can receive a bonus of up to 20 percent of what it normally gets paid.

The idea is to improve patient care by rewarding doctors for following standards to improve consistency in delivery and quality and to reduce costs.

"It's a better way of controlling costs than simply decreasing payments to providers," said Dr. William J. Anderson, HealthSpring's physician director of quality, who will share preliminary results of its pilots Thursday during a summit on pay-for-performance in Los Angeles.

Among initial results from the first nine pilots with practices in three states:

- Doctors are performing more preventive screenings. Results included 27 percent more colonoscopies and a 378 percent increase in diabetic foot exams.
- Health-care utilization by members declined. Emergency room visits fell 7 percent, while there was an 11 percent decline in hospital admissions per 1,000.
- Lower medical costs for the health plan. HealthSpring said its own costs of delivering care to members that were involved in the pilots declined 8 percent.

The findings come amid growing interest in quality and performance-based measures and a search for alternatives to a typical system in which providers are paid a fee for their services.

Aggressiveness is good

U.S. Senate Finance Committee leaders have urged Medicare's overseer to continue making progress toward aligning payments more closely with quality of care provided.

BlueCross BlueShield of Tennessee, the state's largest health insurer, plans a new pay-for-performance program under its push toward paying doctors and hospitals more on patient outcomes than on volume.

About 70 percent of pay-for-performance pilots nationwide are focused on incentives around medical practices, while the rest focus on hospitals, said Paul Keckley, executive director of the Washington, D.C.-based Deloitte Center for Health Solutions.

"It's in the best interest of a health plan to be more aggressive in managing enrollees' health to keep them out of the hospital," Keckley said, adding that many of the pilots target serious conditions such as diabetes and heart disease.

One concern about pay-for-quality is that some patients could lose access to care, if doctors focus only on healthier and more cooperative patients who'll see better results and provide doctors with higher payments, said Russ Miller, a spokesman for the Tennessee Medical Association, a trade group for doctors.

But Dr. Sid King, managing partner of Sumner Medical Group, which was part of HealthSpring's pilots, said even patients of his who aren't members of the health plan have benefited from the more standardized care and a renewed focus on prevention.

"The standards are just always in front of you, so you're thinking about it," King said.